

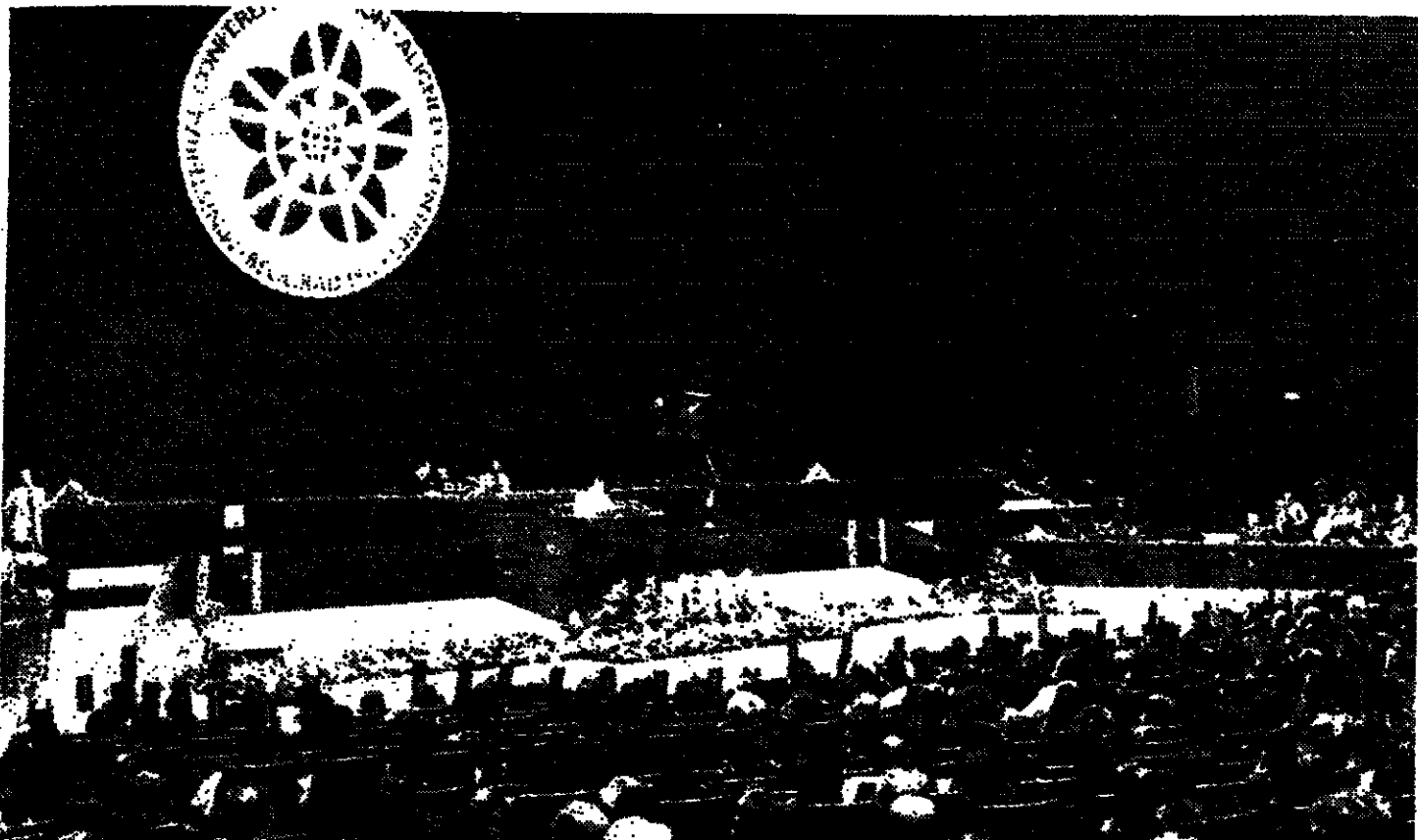
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Delegates in Belgrade Congress Center hall listen to President Tito give address during summit session.

Tito Warns Third World Over East-West Struggle

In Opening Nonaligned Conference

By Flora Lewis

BELGRADE, July 25 (NYT) — Yugoslav President Tito today warned the world's nonaligned countries against letting their disputes escalate into East-West power struggles by calling in foreign forces, especially in Africa.

While it named no states, Marshal Tito's speech at the opening session of the 113-member nonaligned conference was clearly aimed against Soviet-backed Cuban intervention in Africa.

"There is every indication that we have again arrived at a dangerous crossroad," the president said, calling on all members of the nonaligned movement to "devise effective means" for settling their disputes "peacefully and democratically." Otherwise, "new forms of colonial presence, or of foreign influence and domination" may be imposed.

Just after he spoke, Zaire's foreign minister, Umba Di Lutete, disclosed that his country has reached an agreement with Angola, which was used as a base for an invasion of Zaire's southern province of Shaba this spring by Katangese rebels. The fighting threatened to blow up into a superpower confrontation.

Bans Armed Attacks

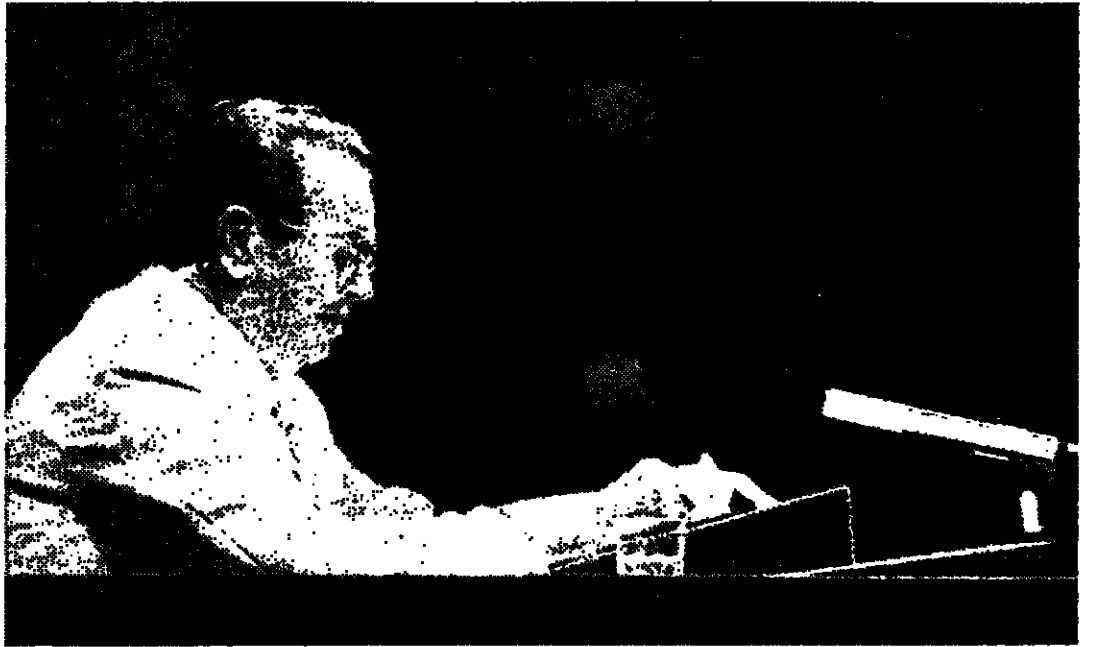
The agreement was reached at a meeting of President Mobutu Sese Seko of Zaire and President Agostinho Neto of Angola, with the help of President Sekou Toure of Guinea, at a session of the Organization of African Unity in Kharoum last week, the foreign minister said. It provides for each side to prevent the use of its territory for armed attacks on the other and for disarming rebel groups such as the Cuban-trained Katangese rebels.

A commission composed of representatives of Cameroon, Nigeria, the Sudan and Rwanda was established to make sure that the accord is carried out in the field.

The Zaire foreign minister said that the two sides did not discuss the presence of the Cubans in Angola because "we don't care where they are so long as they don't interfere in our affairs. It would be against the principle of nonalignment for us to say who can be in Angola."

By the same token, he indicated, Zaire made no promises about how

(Continued on Page 2, Col. 7)



Yugoslav President Tito addresses opening of ministerial conference of nonaligned nations.

Policy-Makers Affected

U.S. Bans Top Visits to Russia

WASHINGTON, July 25 (UPI)

— In a further sign of cooling relations with Moscow, the State Department today announced a general ban on high-level visits to the Soviet Union by U.S. government officials.

Department spokesman Hodding Carter 3d said, "Pending a review of our policy, we are deferring on a case-by-case basis high-level visits by American officials to the Soviet Union."

He defined "high-level" to mean policy-makers, and said that working-level visits — generally involving officials below the rank of assistant secretary — would be unaffected.

Mr. Carter stressed that the United States is not trying to discourage private firms or groups from continuing exchanges with the Soviet Union, nor have visas been denied to Soviet officials wanting to travel to the United States.

He said that the department asked Lawrence Simons, assistant secretary of Housing and Urban Development, to cancel a scheduled trip to a U.S.-Soviet housing conference. The conference began

in 1972, as early evidence that détente between the two superpowers was beginning to flourish.

Mr. Simons' visit is the third high-level U.S. visit to the Soviet Union that has been canceled at the department's request within the last month.

Earlier, the department blocked official visits by delegations headed by Frank Press, presidential science adviser, and Barbara Blum, deputy administrator of the Environmental Protection Agency. Transportation Secretary Brock Adams says that his plans for a September trip are under review.

Mr. Carter linked the ban on high-level trips to the Soviet treatment of U.S. journalists and to the recent trials of Soviet dissidents.

"We'd hope as the atmosphere gets better, we could allow such exchanges to become more active," he said.

Better Than Now

Asked what guidelines would be used in defining a better atmosphere, Mr. Carter answered,

"Something better than is going on right now."

In related developments affecting U.S.-Soviet relations:

• Deputy assistant secretary of state Mark Schneider told a House subcommittee that there is increasing concern that the Soviet Post Office is refusing to deliver mail postmarked in the United States to prominent Soviet dissidents. He said that the department may make a diplomatic approach to the Kremlin on the issue.

• The Soviet press has accused the U.S. government of knowing in advance about a bombing attack on a Soviet Intourist office in New York and said that President Carter made statements "marked by duplicity and inconsistency" at his last news conference.

• The State Department said that it "categorically rejected" Soviet charges that U.S. diplomat Raymond Smith was attacked by Soviet police outside the U.S. embassy because he "ignored a 'lawful' request to identify himself and tried to drag a militiaman onto our embassy's property."

Japan Abruptly Dismisses Highest Military Officer

By William Chapman

TOKYO, July 25 (UPI) — Japan's highest-ranking uniformed military officer was abruptly dismissed yesterday for making controversial remarks about civilian control of the Japanese defense forces.

Gen. Hiroomi Kurisu, 58, was removed as chairman of the joint staff council because he said that the military might have to take "supralegal" actions to defend Japan in the event of a surprise attack or in other circumstances.

Shin Kanemaru, director-general of the Japanese Defense Agency, publicly rebuked the general and

said that his comments had created a misunderstanding about civilian control of uniformed men.

It was the first dismissal in Japan's postwar history of such a high-ranking military official and underscored the unusual public debate over defense issues that has arisen this year.

Reappraisal Advocated

Gen. Kurisu has been a leader of those advocating a reappraisal of Japan's defense posture, which was fixed in the early 1950s and generally provided only for self-defense forces. The constitution prohibits offensive weapons.

Gen. Kurisu publicly challenged several of the underlying assumptions, asserting at one point that it was difficult to distinguish between defensive and offensive weapons. He tried to upgrade the status of his own office and of the military generally, and once sought direct access on a regular basis to the premier.

For the last three decades, public discussion of such issues has been rare in Japan. But since January, the government of Premier Takeo Fukuda has seemed to encourage the defense debate and it was assumed by many observers that Gen. Kurisu's outspoken remarks had tacit approval at the highest levels. Some believed that he might have been floating trial balloons on behalf of the administration.

Challenge Implied

But in the latest confrontation, Gen. Kurisu implied a challenge to the fundamental rule of the military by civilian officials.

In an interview with a weekly magazine, he said that commanders might have to take "supralegal" actions on their own authority in certain events. As examples, he mentioned the protection of a Japanese fishing boat or the response to the approach of an aircraft from a potential enemy.

The law governing the self-de-

(Continued on Page 2, Col. 3)

Senate Votes to Lift Embargo On Weapons Sales to Turkey

WASHINGTON, July 25 (AP) — The Senate today voted to lift the three-year-old U.S. arms embargo against Turkey — a move supporters said would restore Turkey's NATO strength and help to spur a Cyprus settlement.

The lifting of the embargo must still be approved by the House, where it will be taken up next week, and aides said that prospects for passage were uncertain.

The 57-to-42 Senate vote marked a major foreign policy victory for President Carter, who had called the removal of the ban the most important foreign issue still facing Congress this session. It was more heavily in the administration's favor than had been expected.

The vote was on a compromise proposal by Majority Leader Robert Byrd, D-W.Va., and several other senators. It was endorsed by the White House after it became evident that a flat proposal to end the embargo would probably fail.

The compromise repeals the language of U.S. law by which Congress imposed a total embargo on arms sales to Turkey in retaliation for the 1974 invasion of Cyprus. The ban subsequently was modified to permit Turkey up to \$175 million in military aid so that it was able to meet its NATO commitments.

The Senate compromise, in addition to the language repeal, would retain that ceiling for Turkey and increase aid to Greece to the same level for fiscal 1979. But it would make subsequent aid conditional on serious efforts by the two countries to reach an agreement over Cyprus and to adhere to human rights principles on the island.

Arguing that retention of the embargo would be counterproductive to U.S. policy, Sen. Lloyd Bentsen, D-Texas, told the Senate: "Enough is enough. We have made our point."

Proponents of continuing the ban claimed that Turkey — despite the embargo — was still the third largest recipient of U.S. military aid after Israel and South Korea, and that it has refused to make any concessions toward resolving its dispute with Greece over Cyprus.

Sen. Thomas Eagleton, D-Mo., said that the choice was "appeasement or peace." He said that by lifting the ban, the Senate would be "sending a message to other countries to whom we supply arms that they need not take U.S. law seriously."

Sen. Jacob Javits, R-N.Y., said that the Senate should recognize

that, in actuality, "there is no embargo . . . we are talking about moral disapproval" of Turkey's actions. Turkey, he said, draws more military aid from the United States annually since the embargo went into effect in early 1975 than it did previously and that in addition to the \$175 million in arms aid

House Votes N.Y. Funds

WASHINGTON, July 25 (AP) — The House today approved by 244 to 157 the compromise version of a \$1.65-billion aid bill intended to save New York City from bankruptcy. The Senate was expected to vote on the bill tomorrow.

Egypt Rejects Israeli Proposals

By Marvinne Howe

CAIRO, July 25 (NYT) — Egypt today dismissed Israel's offer to discuss the sovereignty of the West Bank of the Jordan and the Gaza Strip after five years as "nothing

new" and looked to the United States to soften the Israeli stand. In the wake of what is seen here as continued intransigence on the part of the Israeli government, Egyptian President Anwar Sadat called an extraordinary meeting of

the National Security Council, Egypt's highest policy-making body, for tomorrow to review the status of the peace initiative.

Egyptian government and press quarters have shown impatience over the lack of progress in the peace negotiations and there is increasing talk of "the October deadline." Mr. Sadat has suggested that if the deadline continues, he might refuse to extend the Sinai disengagement agreement of 1975.

Egyptian government sources maintained that the proposal to discuss the sovereignty question after a five-year transitional period, made before the Knesset yesterday by Moshe Dayan, the Israeli foreign minister, contained nothing new. The sources emphasized that the proposal had already been rejected.

A senior Foreign Ministry official reiterated the government's stand that there must be "some new element, some movement" before Egypt would agree to participate in further direct talks with Israel.

Egypt rejected a message from Israeli Prime Minister Menachem Begin as being "merely a repetition of Israel's declarations during the

(Continued on Page 2, Col. 2)

Petition Asks Fast Action On U.S. Overseas Taxes

By Robert C. Siner

WASHINGTON, July 25 (IHT) — A petition urging Congress to finish speedily its revision of the taxation of Americans abroad was presented today to Rep. Al Ullman, D-Ore., chairman of the House Ways and Means Committee, but Rep. Ullman said his committee could not take up the bill this week.

The petition, signed by more than 3,000 U.S. citizens living overseas, and given to Rep. Ullman by representatives of the Association of Americans Resident Overseas (AARO) and of the U.S. Chamber of Commerce, called on the committee to "report out a bill this week providing for fair and equitable

treatment" for all Americans abroad. It also asked the panel to delete a provision in legislation approved by a Ways and Means subcommittee last month that would deny an income exclusion to Americans living in Western Europe and Canada.

During an afternoon meeting with members of the two groups, Rep. Ullman said that due to the press of business, his committee would not be able to take up the overseas tax bill this week. However, he expressed confidence that the measure would be marked up as soon as possible and all of

(Continued on Page 2, Col. 5)

Catholic Majority Gains Upper Hand in Ireland's 'Jerusalem'

By Roy Reed

LONDONDERRY, Northern Ireland, July 25 (NYT) — Derry has been the Irish Jerusalem, sacred, disputed ground for nearly 400 years.

A determined Protestant minority took over in about 1600 and ran the city for 15 generations. Ten years ago, the Catholic majority rose from the Bogside and started the civil-rights movement that was to change Derry and the rest of Northern Ireland.

The larger consequences are well known: The revival of guerrilla armies, the fall of the provincial government, occupation by the British Army, direct rule by the British government, bombings and burnings, and more than 1,800 persons dead.

But a less-known consequence is the extraordinary effect that the uprising has had on this city. For the first time since 1600, the Catholic majority seems to be gaining the upper hand in the town that the British settlers renamed Londonderry. The Protestant minority, long outnumbered 2 to 1, is pulling out.

Across the River

They are not actually leaving town. They are simply moving to the other side of the Foyle River, the tidal stream that divides the city.

"Most of the Protestants have moved to the east bank and most of the Catholics have moved to the west bank," said Michael Canavan, a Catholic city councillor. "People feel safer living with their own kind."

The move is far more painful for the Protestants than for the Catholics. Moving to the safety of the Waterside across the river means giving up the heart of the sacred ground. It was the old west bank city, the site of St. Columba's sixth-century monastery, that

Protestants in Londonderry Pulling Out After 400 Years

The British settlers fortified, died for and turned into a Protestant holy place.

Behind these walls in 1689, they endured one of the world's memorable sieges, holding out against the army of the Catholic king, James II, for 105 days. Every year since then, their heirs have gathered inside the walls to celebrate the Protestant ascendancy.

Now only a few hundred Protestants remain on the west bank. At the head of the exodus are Protestant businessmen whose stores and shops have been bombed by terrorists in the old city center. Protestant political leaders partly blame the British government, which, they say, has been negligent in compensating the businesses for their losses. Government insurance covers a fraction of the cost of rebuilding, they say.

The exodus coincides with a new political spirit that seems to be improving the lives of the long-dominated Catholics. The local Londonderry government, although severely limited in power under direct British rule, has become a model of shared authority for the two traditions.

Violence has also declined. A few weeks ago, the security forces took down their street barriers and stopped checking cars and shoppers entering the city center. The atmosphere has become freer, residents say, although there have been outbreaks of violence since then.

The soldiers, with guns drawn, still patrol by day in front of the burned shells of stores and bars. And the Provisional Irish Republican Army, strong in the Catholic community, still prowls by night.



Gen. Hiroomi Kurisu

9 Chile Generals Asked to Resign

SANTIAGO, July 25 (UPI) — The Defense Ministry announced last night that eight air force generals had been asked to resign with their commander in chief, Gen. Gustavo Leigh.

The generals all had more seniority than Gen. Fernando Matthei, who was named by the government to replace Gen. Leigh as commander of the air force and member of the junta.

It is common in Chile that armed forces officers resign as a matter of course when others with less seniority are promoted over them.

Court in France Jails 8 Bretons

PARIS, July 25 (AP) — A French court sentenced a Breton nationalist to eight years in prison today and gave seven others shorter terms after convicting them of carrying out 13 bombings in their campaign for the independence of Brittany.

The struggle for autonomy for the province on France's northwest coast was in the headlines a month ago when the Breton underground blew up an art-filled chamber in Versailles palace, 14 miles southwest of Paris. The suspected perpetrators of that bombing are under arrest, but the latest convictions were unrelated to that incident.

The State Security Court sentenced underground leader Serge Rojinski to eight years imprisonment and seven others to terms of one to seven years. Four women and a man drew suspended sentences, and another man was acquitted.

After Years of Secrecy

U.K. Cabinet Panels Unveiled

By Bernard D. Nossiter

LONDON, July 25 (UPI) — The great veil of secrecy enveloping the prime minister's influential Cabinet committees has been pierced for the first time.

A detailed analysis by Bruce Page, editor of the New Statesman, concluded that the system made Britain's prime minister much more than a first among equals and was turning Britain's Cabinet style of government into something resembling a presidential regime.

Since the start of the century, when British government took on more responsibilities and the Cabinet was split into committees to deal with them, enormous secrecy has surrounded the technique. Both the subject matter and the membership of these committees has been secret.

Indeed, a parliamentary select committee once discovered that Cabinet committees, like telephone tapping and security arrangements at Chequers, were subjects that successive prime ministers have refused to discuss in the Commons.

In the wake of Mr. Page's article, some of this may be relaxed. A member of the staff of Prime Minister James Callaghan yesterday confirmed much of what Mr. Page wrote, but still defended the secrecy rule.

Spared From Lobbying

This official argued that secrecy spared ministers on special-interest committees from lobbying, and preserved the British notion of collective Cabinet responsibility. He conceded that Cabinet decisions were heavily influenced by committees but contended that their recommendations had to be approved by the Cabinet as a whole. He agreed with Mr. Page that the technique enhanced the power of the prime minister, but noted that it was true also of a prime minister's right to appoint and fire ministers.

Two examples in the New Statesman article undermined at least some of the secrecy defense. One case involved Britain's forthcoming fourth television channel. The BBC has two channels, commercial independent television has one and both strongly oppose any third body getting the next.

According to Mr. Page, senior civil servants and the Home Office, which supervises television, supported the view of the broadcasters. Sir John Hunt, secretary to the Cabinet and a key civil servant, proposed a Cabinet committee that was likely to produce a recommendation favored by the broadcasters.

Callaghan Preference

But Mr. Callaghan, unenthusiastic about the way the two broadcasting hierarchies treat politicians, favored an open broadcasting authority for the fourth channel.

So he made himself chairman of the Cabinet committee and staked it with three other like-minded ministers: Tony Benn, Roy Hattersley and William Rodgers. They and their colleagues, Mr. Page said, were heavily lobbied by both the

but, an independent television, an indication that secrecy did not stop important interests from finding out who served.

But the government is expected to issue a white paper reflecting the views of Mr. Callaghan and his majority on the committee. Thus the prospects of a new broadcasting authority here have been increased.

In all, Mr. Page estimated that there are about 20 to 25 permanent or standing committees, of which half are consequential. In addition, Mr. Callaghan has named about 130 ad hoc committees to deal with temporary issues.

Unique Position

On the world scene, the most important is DOP, dealing with defense and foreign policy. Besides the foreign secretary, home secretary and chancellor of the exchequer, the chief of the defense staff normally attends its meetings, Mr. Page said. This makes the defense chief unique in government and gives him extra clout with which to plead the case of the services for more cash.

At home, the "first team" sits on EY or economic strategy. Mr. Callaghan chairs this committee, which includes Denis Healey, chancellor of the exchequer; Marilyn Rees, home secretary; David Owen, foreign secretary; Michael Foot, leader of the Commons; Eric Varley, industry; Mr. Benn, energy; Mr. Hattersley, prices; Albert Booth, employment; Peter Shore, environment; Edmund Dell, trade; Shirley Williams, education; Harold Lever, the Cabinet economic adviser, and Joel Barnett, chief secretary to the treasury.

In the United States, members of Congress, academics, journalists and an interested public would pry loose any internal organization of the White House that a president might attempt to keep secret. But here there is surprisingly little interest in the subject, and Mr. Page's enterprise has gone largely unnoticed.

Derry Catholics Breaking 400-Year Protestant Grip

(Continued from Page 1)

Party, which is mainly Catholic, moderately nationalist and well connected with prominent Irish-Americans like Sen. Edward Kennedy, D-Mass.

The party decided in 1973, when a new one-man, one-vote system was started, not to treat the Protestants as the Catholics had been treated.

"We feel a particular duty to demonstrate that the boot is not on the other foot," said John Hume, the party's deputy leader, recently.

Mr. Hume's party could easily control the mayor's office full time, but it chooses to rotate the job annually with the main Protestant party, the Unionists. This year's mayor, T.M. Craig, is a Unionist.

Derry Catholics now get their share of housing and jobs. About 5,000 units of public housing have been built — with British money — and allocated on a system that gives preference to large families.

Mr. Hume and others hope that Catholic-Protestant cooperation in Derry will inspire similar power-sharing elsewhere in the province. So far, however, Protestants in other towns see Derry as a threat rather than a model. There has been little movement toward power-sharing in towns with a Protestant majority.

Derry's Protestant leaders tend to approve of the new system here. Mayor Craig said that it generally works well, although he is not happy.

Egypt Rejects Israeli Bid On West Bank and Gaza

(Continued from Page 1)

last few days," an official spokesman said today.

The Egyptian government would accept, however, U.S. assurances of "an Israeli willingness to show more flexibility," the official emphasized.

Alfred Atherton, U.S. assistant secretary of state, is to arrive here Friday, after stops in Saudi Arabia, Jordan and Israel.

Egyptian officials indicated that they were counting on Mr. Atherton to provide "the new element" that would enable Egypt to return to the negotiating table. Egyptians are not optimistic about the outcome of any negotiations with Mr. Begin's government, but they do not want to bear the onus for breaking off talks as they did last January.

One of the points on the agenda of the National Security Council meeting is the preparation for the talks with Mr. Atherton, as well as with Secretary of State Cyrus Vance, who is expected to follow.

py with some of the changes. For instance, the new housing allocation system, he said, discriminates against Protestants because their families are too small to qualify for space.

But more than politics has changed. The old "Union lords," Protestant owners of the big mills, are gone. Shirt factories are fading away. The new factories, making plastics, textiles and electronic parts, are owned by multinational companies. The new managers care little about the walls of Derry and which side of the Foyle a Protestant lives on.

Change is coming, but it may be too late for the few who cling to the ideal of Catholic-Protestant integration. For all the new tolerance at the Guild Hall, Derry is steadily becoming in fact what for 15 generations it has been in spirit — two cities.

Japan Abruptly Dismisses Highest Military Officer

(Continued from Page 1)

fense forces states that only the premier can order a military action. In announcing the general's removal, Mr. Kanemaru said that no "supralegal" action could be permitted by military officers — even in the event of an enemy surprise attack.

In a news conference later, Gen. Kurisu defended his remarks and said that he had been prepared to resign if Mr. Kanemaru disagreed with them.

"I have said what I thought was right since I became chairman of the joint staff council," he said. "Field commanders should have the power to repel a surprise attack without waiting for orders from civilian officials."

He said that he was not challenging the rule of civilian control over the military but was merely discussing powers that commanders should have before civilian leaders can exert that control in an emergency.

A veteran military officer who was said to be popular with many uniformed colleagues, Gen. Kurisu had been in trouble since he was appointed chairman of the council, which oversees ground, sea and air forces.

On his appointment in October, he announced that the post of chairman should be confirmed by the emperor as those of Cabinet ministers and said that he would go to the imperial palace to write his name in the registry of high-ranking public officials. But he was refused permission.

Later, he insisted that the chairman of the joint staff council have direct access to the premier, instead of making reports through civilian ministers. His civilian superior ruled that he should not have that right.

Right to Attack Sought

In a subsequent controversy, Gen. Kurisu declared that Japan should have the right to "attack the other side's bases" to defend itself if attacked, a position that many believed violated the premise that Japan should have only defensive weapons. Gen. Kurisu said that it was "difficult" to distinguish between offensive and defensive weapons.



LONGEST PUZZLE — Arne Meyer-Oldenburg, a teacher in Trossingen, West Germany, rolls out his 33-meter-long crossword puzzle, reputed to be the world's largest. It has 7,612 horizontal questions and 8,823 vertical ones.

With Funds From Abroad

Pakistan Accuses Bhutto Of Manipulating Election

RAWALPINDI, Pakistan, July 25 (UPI) — The government has released a 405-page report purporting to document vast electoral malpractice last year by Zulfikar Ali Bhutto, then the prime minister, with use of more than \$3 million from an unnamed "foreign head of state."

The voluminous "white paper," with 1,044 pages of documents appended, said yesterday that the foreign contribution was delivered by a woman known in Pakistan as "General Rani."

It incriminated the Bank of Commerce and Credit International (BCCI) of Pakistani banker Agha Hasan Abedi, who has also been named in connection with controversial dealings of Bert Lance, the former U.S. budget director. The white paper said that the BCCI was the financing medium for ambitious manipulation of the elections of March last year.

The appended documents include photographs of personal letters, bank documents and "a blueprint for rigging" the elections, in which Mr. Bhutto's Pakistan People's Party won all but 37 of the 200 National Assembly seats.

Costly Landslide

The landslide victory was Mr. Bhutto's undoing. Gen. Mohammed Zia ul-Haq took power

amid a wave of post-election protests by the opposition. On March 18, the Pakistan Supreme Court sentenced Mr. Bhutto to death by hanging for conspiracy to assassinate a political opponent.

Mr. Bhutto is appealing the death sentence. It remains to be seen whether yesterday's white paper will be admitted as prosecution evidence in the appeal trial.

Mr. Bhutto's chief defense counsel, Yahya Bakhtiar, is scheduled to go on trial for election rigging in Baluchistan province, once the Bhutto appeal has been settled.

The role of "General Rani" said to be a notorious procurer for the wealthy, was apparently only that of courier, the white paper said. Her present whereabouts were not stated.

Inquiry Committee

The white paper relies on two sources of material: documents signed or circulated by Mr. Bhutto and his aides, including intelligence officials and top civil servants, and findings of a committee of inquiry appointed by Gen. Zia in November.

The document charges that Mr. Bhutto used government and other money to build a "do or die" election organization with a "pyramidal structure" of polling stations at the base and the district commissioner at the apex.

It accuses Mr. Bhutto of buying out the election commission, an autonomous body under the constitution. "Bhutto and his lieutenants succeeded in reducing the election commission to a handmaid of the party in power and an instrument in its electoral designs," the document said.

Petition On U.S. Tax

(Continued from Page 1)

forts would be made to move it quickly through the House and on to conference with the Senate.

Variety of Deductions

The measure at issue would replace the 1976 provisions with a variety of special deductions for cost of living, housing, education, home leave, broadened moving expense allowance, expansion of a section that excludes from income the housing and meals provided to an employee on the business premises of his employer, and a number of other items.

It would also include an income exclusion of \$20,000 (\$25,000 for Americans living abroad more than three years), and an escalator clause to offset inflation. However, Americans living in Western Europe and Canada would not be eligible for this exclusion.

The exclusion was adopted by a Ways and Means subcommittee headed by Rep. Joe Wagoner, D-La., and Rep. Ullman told AARO that Rep. Wagoner would be the key to having the exclusion extended to all Americans abroad.

Suspension of Rules

Once a final version of the bill is adopted by the full committee it then must be passed by the House. Rep. Ullman indicated that the bill would be brought up under suspension of the rules to expedite passage.

It then must go to conference with the Senate, which has passed its own measure. The Senate version is much less generous than that adopted by the House subcommittee.

Supporters hope to complete congressional action on the bill before Aug. 15, the extended deadline for filing of U.S. income tax returns by Americans overseas.

After Conservatives' Resignations

Lisbon Socialists Refuse to Quit

LISBON, July 25 (UPI) — Abandoned by his conservative partners, Socialist Premier Mario Soares refused to resign his Cabinet today and left the fate of his government up to President Antonio Ramalho Eanes.

"The government will not resign and now everything depends on the president of the republic," a Socialist spokesman said after a meeting last night of top party leaders.

He said the 41-man party directorate had summoned an extraordinary session of the party's national commission to determine the Socialist Party's next moves following the resignation yesterday of the Center Democrats' three ministers. No date was given for the commission's meeting.

In a communiqué, the Socialists appeared to make a subtle plea for Communist support. "Essentially, the Socialist Party has followed leftist policies and that is why they want to bring it down," the communiqué said. "We say once more that we will not give in to ultimatums or threats, and we will intransigently defend democracy."

Politicians said that Gen. Eanes has three options — a final attempt to patch up the Socialist-conservative rift, allowing Mr. Soares to head a minority government in the face of no-confidence vote threats, or the dissolution of Parliament followed by general elections.

The five-month-old coalition government came apart with conservative demands that Agriculture Minister Luis Salas be fired for being too soft on the Communists. The three Center Democrat ministers in the Cabinet resigned after two weeks of negotiations between the Center Democrats and the Socialists failed to resolve the dispute over Mr. Salas.

Faced with a mounting grassroots rebellion over their alliance with the Socialists, the Center Democrats have charged Mr. Salas with stalling on returning farm land illegally occupied by leftists after the 1974 revolution.

The opposition Social Democrats have accused Mr. Salas of implementing a secret Socialist-Communist accord to go slow in the Communist-dominated southern Alentejo region in exchange for labor peace in the industrial belt.

Communist chief Alvaro Cunhal has urged the Socialists to spurn the conservative ultimatum.

Mr. Soares has refused to make any concessions to the conservatives and reminded them that only

he has the right to hire and fire ministers.

Politicians said that in withdrawing Foreign Minister Vitor Machado, Commerce Minister Basilio Horta and Administrative Reform Minister Rui Pena, the conservatives had left a door open to compromise by keeping five secretaries of state in the government.

They said it was unlikely that Mr. Soares would opt for a minority government and fill these posts with Socialists because that would leave him at the mercy of Communist parliamentary backing.

Court Upholds the Jailing Of N.Y. Times Reporter

TRENTON, N.J., July 25 (UPI)

The New Jersey Supreme Court today refused to interfere with the jailing of New York Times reporter Myron Farber on a civil conviction for his refusal to turn over his notes in connection with the murder trial of Dr. Mario J. J. J.

The six judges of the court in Newark, however, unanimously blocked criminal penalties of six months in jail and a \$1,000 fine against Mr. Farber and a \$100,000 fine against The Times.

But the panel refused to stay civil penalties forcing the reporter to remain in prison until he agrees to submit his material and obliging The Times to pay a fine of \$5,000 each day that the notes are not turned over to the judge.

5-1 Decision

The court handed down a 5-1 decision against Mr. Farber and The Times. Justice Morris Pashman dissented.

Mr. Farber and The Times still can appeal to the U.S. Supreme Court.

Mr. Farber, whose stories on the mysterious deaths of 13 patients at Riverdel Hospital in Oradell, N.J., in the mid-1960s led to the reopening of the case and the current trial, had spent seven hours in jail yesterday before he was allowed out by Judge Pashman.

The full court considered Judge Pashman's temporary decision today.

Earlier yesterday, Bergen County

Court Judge Theodore Trautwein in Hackensack ordered Mr. Farber held in jail until he turned over his notes. He was also sentenced to a month in jail to be served after he complied with the court order.

Overdose of Curare

Dr. Jascalevich, 51, of Englewood Cliffs, has been on trial in Hackensack for the past five months on charges of killing five patients by poisoning between 1964 and 1966 with overdoses of curare, a muscle-relaxant drug used in surgery. The trial was halted last week while defense attorneys sought a new trial.

"I cannot cast aside my obligations as a reporter simply because they are being contested," Farber said before he was sentenced. "The inevitable requirement of compliance with this order will be my conversion into an investigative agent for the parties in this case."

The reporter added: "If I lose my file, I will have undermined the credibility of my colleagues."

Arthur Ochs Sulzberger, publisher of The Times, said that the paper will, of course, support Mr. Farber as he maintains the confidentiality of his sources.

"This," Mr. Sulzberger said, "is what a free press is all about. If Judge Trautwein decrees that The Times is to pay \$5,000 a day for this privilege, so be it."

Callaghan Says Thatcher Encourages 'Prejudice'

From Wire Dispatches

LONDON, July 25 — Prime Minister James Callaghan, battling to get a new wage policy through Parliament, today made a strong attack on opposition leader Margaret Thatcher.

"Her every speech is a rallying cry to prejudice," Mr. Callaghan told a packed House of Commons. He said that Mrs. Thatcher, leader of the Conservatives for the last three years, had still not set down her policies. He summed up her philosophy as "find a rolling bandwagon and jump on it."

Mrs. Thatcher hit back by denouncing the Labor administration's economic record. She called Mr. Callaghan "a prime minister totally lacking in achievement."

The clash came as the Commons debated government proposals to limit wage increases to 5 percent during the next 12 months, as part of anti-inflation measures.

The Liberals deserted the minority Labor government last night and combined with the opposition Conservatives to defeat a measure sought by Mr. Callaghan's left-wing supporters. The defeat, by 301

votes to 291, had been expected and was not a confidence issue, involving the fate of the Cabinet.

But it was the first of three scheduled this week in which Mr. Callaghan to call a general election in October, several months before his five-year mandate runs out.

Yesterday's defeat killed motion to give dockworkers the right to handle cargo with half a mile of ports. The measure was sought by the labor unions: the Labor Party's left wing in turn for cooperating in the gro of container cargo handling that quires a smaller labor force.

On another labor question, government intervened today in a strike immobilizing Britain's Po nuclear submarine fleet.

Defense Secretary Fred Milford told the house that Royal Navy personnel would complete load of the strike-bound HMS Revenge of three Polaris subs being escorted by Scottish dockworkers' pay dispute.

Tito Warns Third World Over East-West Struggle

(Continued from Page 1)

long a joint African force hastily assembled to pacify Shaba would remain on its territory. But the idea of a "pan-African intervention force" has now been abandoned, he said, and it is now up to the new commission to make sure that the Zaire-Angola settlement "on paper" is fully put into effect.

The reconciliation has already reached the point, however, that he said he had congratulated Angolan Foreign Minister Paulo Jorge on a speech at today's meeting which echoed several of Marshal Tito's points and called for reassertion of nonalignment principles "as an active factor in international détente" and a safeguard for "territorial integrity."

The Zaire-Angola agreement was an obvious example of Marshal Tito's campaign to find negotiated settlements of the many current Third World conflicts before they lead to renewal of the cold war in areas outside of the Eastern and Western alliances.

Delegations were present from the rebel movements of three countries of southern Africa where white regimes are being challenged by black forces in conflicts which could lead to new Soviet-supported intervention and to Western reaction.

While the 86-year-old Yugoslav leader said at one point that "it is high time that [the] anachronistic situation of colonialism and racism in Africa" were ended, he also seemed to be referring to the explosive southern African situation when he said that he saw "realistic possibilities" for peaceful solutions which "represent not interference, but offers of good offices."

Marshal Tito's carefully worded, but direct statement went considerably beyond what the African Khartoum meeting last week, after disagreements on the Cuban and East bloc role prevented denunciations of foreign military intervention in Africa.

While he attacked "new forms of colonialism," he also attacked "hegemony," the word the Yugoslavs and Chinese use for Soviet attempts at domination; and insisted that "détente [is] a universal process which must extend to all of the world."

"The relations between the powers, which bear a special responsibility, constitute an important ingredient of détente," he said.

"However, détente is not their fair alone. It concerns all countries whose fate is influenced by the relations of the world."

Nonalignment with either of superpower groups is "the only possible alternative to bloc confrontations, tensions and the dangers of a new military confrontation," Marshal Tito said.

The definition of nonalignment particularly in the wake of Cuban intervention in Africa and of Vietnam's joining the Communist bloc's economic organization Comecon, had been expected to be the major controversy of this meeting at the foreign ministers level.

Some countries, led by China, had been asserting that it meant adherence to the "progressive group of states, in effect, which are Marxist-oriented."

In several different ways, the group present sought to press the Cuban push. He is the sole survivor of the founders of the movement to avoid pressures tending to divide the world into pro-Soviet and pro-Western blocs.

He said that nonalignment "pledged" against the imposition of ideological and political systems.

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Reacting to Reports

Carter Warns Staff To Obey Drug Laws

By Terence Smith

WASHINGTON, July 25 (NYT) — President Carter, responding to reports of drug use by White House employees, warned his staff yesterday to obey the drug laws, even if they disagree with them, or "seek employment elsewhere."

"I expect every member of the White House staff to obey the law," the president wrote in a sharply worded memorandum distributed to the 351 White House staff members.

"Whether you agree with the law or whether or not others obey the law is totally irrelevant. You will obey it, or you will seek employment elsewhere," the statement said.

'Deeply Concerned'

The president said that he had been "deeply concerned over recent reports that some members of the White House staff are using illegal drugs." He added that he expected the senior staff to "convey my feelings directly and in no uncertain terms" to every member of the staff.

The president's admonishing memo — the first of its kind to the White House staff since he took office — followed a statement last week by his former drug-policy adviser, Dr. Peter Bourne, that there was a "high incidence" of marijuana use by the staff and "occasional" use of cocaine.

That remark and Dr. Bourne's resignation Thursday were commented on yesterday by the speaker of the House, Thomas O'Neill Jr., and the Senate minority leader, Howard Baker. Sen. Baker called for an inquiry, perhaps by the Justice Department, into drug use by the White House staff.

Rep. O'Neill, calling himself "an old square," said he would not tolerate the use of marijuana during duty hours by anyone on his staff.

Mrs. Carter's View

In addition, Rosalynn Carter, the president's wife, said that it was "ridiculous" to conclude from recent events that there was widespread use of drugs at the White House.

"There's not a drug problem at the White House and everybody knows that," Mrs. Carter said at a luncheon with reporters and editors of the Washington bureau of The New York Times. "If there was, it would have been exposed long before now."

Dr. Bourne, who served as Mrs. Carter's principal adviser on narcotics policy, resigned last week after admitting that he had prescribed a powerful sedative for a member of the White House staff under a false name.

The controversy took on a political edge when Sen. Baker was asked about it in an informal Senate news conference.

"We need at least a fuller explanation," said the senator, who is often mentioned as a potential 1980 challenger to Mr. Carter. He added that a Justice Department investigation of the White House staff was a possible procedure.

New York Firm Cited in Deaths Of Drug Addicts

NEW YORK, July 25 (UPI) — A New York pharmaceutical house was charged yesterday with allowing LAAM — a highly powerful experimental variation of methadone — illegally to reach unsuspecting street addicts, some of whom took overdoses of the drug. Vitarine Co. Inc. is accused of sloppy record-keeping and failure to report thefts and losses of several million tablets of the drug.

The \$1-million federal civil suit against the firm was brought after a 14-month Drug Enforcement Administration investigation.

Vitarine is the sole manufacturer of LAAM (long-acting methadone), which is used experimentally at selected drug treatment centers instead of methadone, a drug commonly used to treat heroin addicts.

LAAM does not take effect until 12 hours after it is ingested, and its effects last up to three days. The suit said that a number of addicts, unaware that the drug is slow to act, took overdoses trying to make the drug take effect.

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Mrs. Carter's View

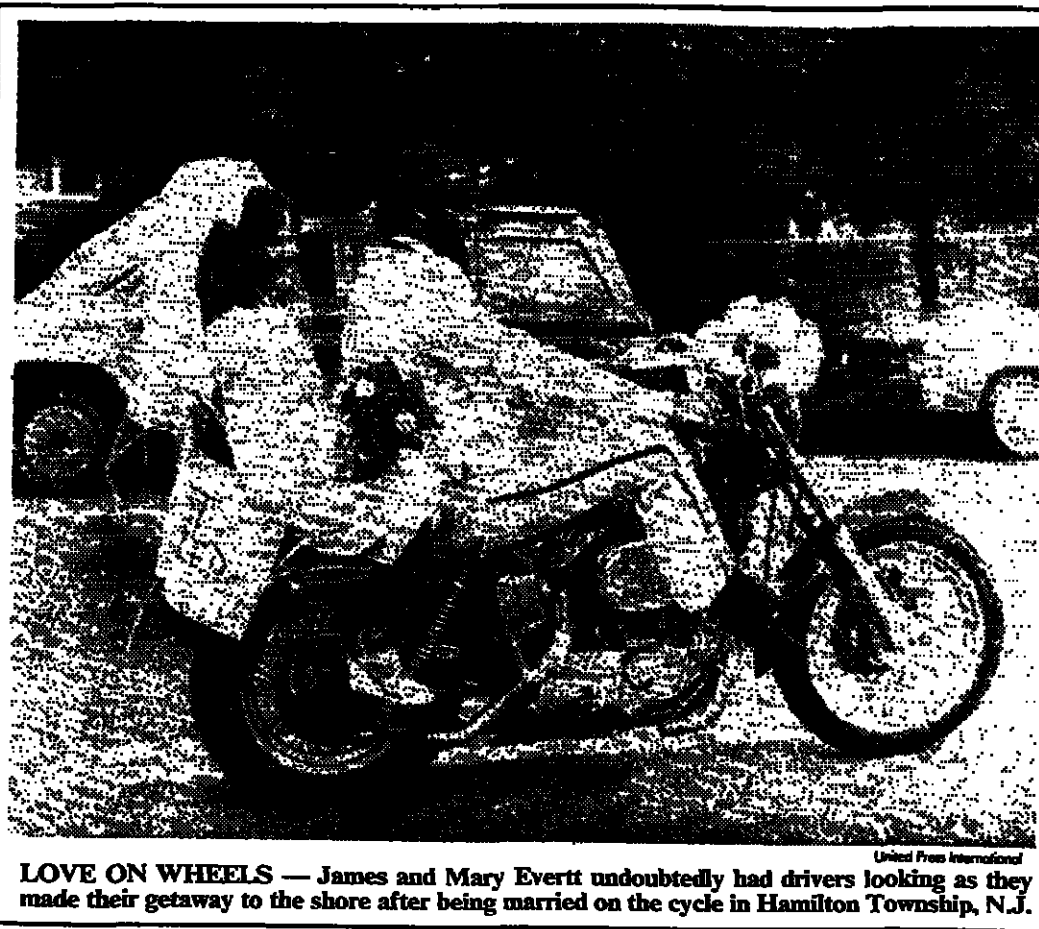
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LOVE ON WHEELS — James and Mary Everett undoubtedly had drivers looking as they made their getaway to the shore after being married on the cycle in Hamilton Township, N.J.

'Image' Problem Conceded

Mrs. Carter Defends President's Record

By Steven V. Roberts

WASHINGTON, July 25 (NYT) — Rosalynn Carter conceded yesterday that President Carter has an image problem. But she said she does not feel that the public perception of her husband is accurate.

"They think he's incompetent; he is not incompetent," she insisted, her voice growing stern. "They think he's indecisive; he's not indecisive. He's very strong, he's very determined, he knows what he

wants and he doesn't back down, but he knows that in politics you have to compromise."

In a luncheon meeting with reporters and editors of The New York Times, Mrs. Carter offered a number of reasons for this poor image: a press that focuses too often on negative or irrelevant details, an "open administration" that airs its differences in public, a post-Watergate mood that nourishes distrust of anyone in power, and a White House staff that has

failed to convey the president's accomplishments.

Frustrated and angry with the situation, Mrs. Carter played an important role in the recent assignment of Gerald R. Ford, a longtime Carter adviser, to the job of creating a new presidential image in the media. "I want people to know what we're doing," Mrs. Carter said.

Mrs. Carter showed flashes of wry humor. She noted that when her daughter Amy practices the violin, "The cat begins to cry." When asked where Amy practiced the instrument, she smiled and said, "Well, we have a big house."

Like many members of the Carter administration, Mrs. Carter is clearly annoyed and concerned about what she sees as the failure of the electorate to appreciate the president. "I think Jimmy's doing a very good job, and I think anybody who really looks to see what he's doing would agree with me," she said. "But the people don't know it."

Asked if she thought that the press was being unfair to the president, Mrs. Carter said, "I don't think it's any kind of planned thing." But she offered several examples of what she considered unfair reporting.

The administration, she complained, has not gotten sufficient credit for reducing unemployment and she cited a recent poll showing that 70 percent of all Americans did not even know that the jobless rate had dropped.

Circle of Advisers

"Another misconception is that he's surrounded all the time by Georgia people," Mrs. Carter said. On foreign policy decisions, she said, the president consults such people as Zbigniew Brzezinski, his national security adviser, and Secretary of State Cyrus Vance. "He doesn't sit down with Jody and Hamilton," she said, referring to Jody Powell and Hamilton Jordan, two old and close Carter confidants.

In addition, she said, the president makes many unpublicized phone calls to such veteran Washington hands as Averell Harriman and Clark Clifford, asking their advice on a wide variety of matters.

One reason for the attitude of the press, she said, was the Watergate experience. "I don't think people trust anybody," she said. Then she added: "I'm not saying that's bad, because so much has happened in the past that caused people to react that way. Maybe it's good."

Mr. Carter's determination to run an "open administration" has also caused him some problems, she said. What the press portrays as "dissension," she said, is usually the normal debate that precedes any policy decision.

Like her husband, Mrs. Carter said she feels frustrated by the difficulty of getting anything done in Washington. One of her villains is the bureaucracy — "a terrible mess," and another is the lobbyists who oppose such legislation as hospital-cost containment.

Unlike the Carters, these lobbyists have been in Washington for many years and have forged close friendships with key congressmen. When it comes to a vote, she added, these congressmen are thus "in the position of voting against their friends."

She said that she feels "very discouraged" by the prospects for passage of the equal rights amendment but supports extending the ratification deadline and will continue to lobby for the measure. The opponents, she acknowledged, are "very well organized," but she said they use "distorted" arguments to buttress their case.

She has a lot of sympathy for such "outsiders" as Betty Ford and Joan Kennedy, who found the strains of political life wearing. Her formula for staying sane, she said, is to work hard and stay involved with what her husband is doing. The alternative, she said, would be "very boring."

2 New Ministers in Iran

TEHRAN, July 25 (Reuters) — Iranian Premier Jamsid Amuzegar yesterday brought two new ministers into his Cabinet but left major portfolios unchanged.

The administration's energy package contains five parts, of which only one, that dealing with coal conversion, has been given final approval by the Senate. Natural gas evidently is the next to be considered, followed by utility rate reform and conservation. The tax portion is generally considered to be in trouble.

Public Employees Fear Loss of Jobs Contracting Gains in U.S. Cities

By Jerry Flint

NEW YORK, July 25 (NYT) — Public employee leaders fear that, in reaction to taxpayer revolts, local governments may turn more and more to contracts with private businesses for public services.

"More than a half-million public employee jobs have been contracted out in the last decade," said Charles Brown, a spokesman for the American Federation of State, County and Municipal Employees. "This is a dangerous national trend."

In New York this month, the state's highest court upheld Westchester County's right to do away with the jobs of tenured civil service employees by contracting work to a private company. The decision is expected to encourage similar efforts around the state.

"The unions were doing a good job in keeping communities from looking into contracting, but Proposition 13 will raise it again," said Harry Hatry, director of state and local government research programs of the Urban Institute. Mr. Hatry was referring to the California tax-cut amendment, which has given rise to similar proposals in many states since its passage last month.

To Cut Costs

Municipalities contract for services because they seek to cut costs and increase productivity. The Civil Service system and the rapid unionization of public workers in the last 20 years — the American Federation of State, County and Municipal Employees has a million members and dozens of other unions have organized millions of other public workers — not only pushed up wages and fringe benefits but also made job changes difficult.

The unions, however, contend that contracting breeds corruption that costs taxpayers more.

Jerry Wurf, president of the government workers' federation, said that the practice "has become a new source of political patronage subject to fantastic ripoffs, corruption, bribery and kickbacks." He added that, "as long as public officials are allowed to hand out jobs to their political pals, contracting out will remain a politician's dream and a taxpayer's nightmare."

There is evidence to support both positions.

Savings Reported

Officials in Pelham, N.Y., for instance, say the city saved \$50,000, or 25 percent a year, by replacing its nine-member sanitation force with a private company using six workers.

According to Eileen Berenyi, who directed a solid-waste management study at the Graduate School of Business at Columbia University, trash collection by public employees costs 29 percent more per house than contract collection.

Municipality-run systems have twice the absenteeism rates and use larger crews than contract collectors, her study found. But private contractors frequently provide less service, the study said, and while they pay higher wages, they also provide substantially less in benefits, such as pensions.

U.S. Detainee Sought by Bonn

KARLSRUHE, West Germany, July 25 (AP) — A West German Supreme Court judge yesterday issued an arrest warrant for Kristina Bernier, an alleged terrorist, who was arrested when she crossed from Canada into the United States last week.

The federal prosecutor's office here said that the warrant accuses Miss Bernier, 27, of membership in a criminal gang, receiving stolen goods and forgery of documents.

She is being held in a county jail at Albany, N.Y., in lieu of \$500,000 bail on a charge of illegally entering the United States. The German warrant would be a precondition for requesting her extradition, but Justice Ministry officials in Bonn were not available for comment on their plans.

But the stories of corruption are common, too. In New York City, there have been charges on and off for 25 years of excess profits, kickbacks and political influence involving the Broadway Maintenance Co., which repaired street lights in three boroughs. The company lost its contract this year and was replaced by another concern that has also been accused of making exorbitant profits.

Easily Rigged

Mr. Brown of the public employees union said, "In the old days politicians would give jobs to campaign supporters; now they give contracts to contributors." He charged that competitive bidding is rare; that bids are easily rigged; that overcharges and organized crime participation are not uncommon; that contracts are frequently given on a political basis, and that

"basic administrative decisions are being made by people who are in no way responsible to the citizenry."

In Michigan, three public hospitals are contracting for housekeeping supervision. The workers are public employees, the supervisors are private. The result is a heavier workload and new equipment "aimed at more work with fewer workers," said Dale Latta, director of District Council 25 of the public employees union.

In Minnesota, a state report shows that state contracting for consulting services nearly doubled from 1974 to 1977 and will exceed \$41 million this year. But unions point to the report's complaints that "contracting costs tend to be more difficult to control" and that disappointment with the performance of consultants was not uncommon.

Mandatory Controls Loom

Proposition 13 Pressure Freezing California Rents

SAN FRANCISCO, July 25 (NYT) — Landlords throughout California have begun to freeze or reduce rents — and some are even promising rebates — in an effort to forestall mandatory rent control.

The owners of the state's 4 million rental units were warned last week by politicians and industry leaders that tenants were demanding to share property-tax reductions that would result from the passage of Proposition 13. On Friday, Gov. Edmund Brown Jr. told more than 1,000 landlords meeting in Los Angeles that they faced the "bureaucratic mess" of mandatory rent control at the local and state levels if they failed to reduce rents voluntarily.

The governor has scheduled a meeting with Bay Area landlords to tell them to hold rents to their May 31 levels if they wish to avoid the initiatives and ordinances being proposed in many communities to force them to pass their tax reductions along to their tenants.

Approved by the voters on June 6, Proposition 13 reduces the property-tax revenues available to local governments by nearly 60 percent.

Rents Raised

Renters were angered in the last month when some landlords raised rents after June 6, despite the reductions.

"My rent was raised \$10 the day after," said Jeffrey Davis of Stockton, Mr. Davis said he had heard that rents had been increased for tenants of about 1,350 apartments in San Joaquin County, where he works for the County Department of Consumer Affairs.

"Mine was raised and all my friends had theirs raised," said Agnes Aventes, a Berkeley resident who is a student at the University of California.

Some landlords said they had miscalculated by raising their rents in the normal fashion despite the passage of Proposition 13. Howard Ruby, chairman of the California Housing Council, said he had rescinded the rent increases in many of the 12,000 apartments he owns in southern California and has asked other landlords to do the same.

Garson Bakar, another leader in the housing council, who owns or manages 8,000 apartments in the Bay Area, said, "All our managers were told to deliver notices over this weekend that we're freezing or rolling back rents to the May 31 level as the governor requested."

The Los Angeles City Council has scheduled a preliminary vote for next Tuesday on mandatory rent controls for that city.

Similar legislation is being considered by many local governments, and Assemblyman Tom Bates, an Oakland Democrat, has proposed a state law that would force a pass-through of property tax cuts to renters.

39 Vietnamese in Macao

MACAO, July 25 (AP) — A group of 39 Vietnamese refugees arrived in Macao yesterday in two motorized fishing junks.

"What happened is that Jarvis [Howard Jarvis, one of the authors of the tax-cut plan] went all over this state promising renters they'd get rent reductions if 13 was passed," Mr. Bates said. "That was the turning point for its passage."

Mr. Bates said that "renters were deceived" into voting for Proposition 13 and would need laws to keep rents down.

"They were conned and shucked," he said. "Anybody who believes landlords will voluntarily pass along their savings still believes in Santa Claus and the tooth fairy."

Wilmington 10 To Be Reduced To 5 in Prison

WILMINGTON, N.C., July 25 (AP) — Three more members of the Wilmington 10 will be released from prison this week, leaving five of the group still serving sentences for a 1971 firebombing the North Carolina Parole Board announced.

James McKay, 25, and Willie Verreen, 24, were to be released today from the New Hanover County prison. Jerry Jacobs, 26, is due to be set free Friday. All three plan to remain in Wilmington.

The Wilmington 10 are nine black men and a white woman convicted of taking part in the firebombing of a white-owned grocery store during racial violence in the port city in 1971.

The woman — Ann Turner — was paroled, but the nine men were sentenced to long prison terms. Gov. Jim Hunt shortened those sentences earlier this year but refused to bow to international pressure to pardon them outright.

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Yogurt Regulations Firmly Set In World Chess Championship

BAGUIO CITY, Philippines, July 25 (AP) — Champion Anatoly Karpov was told today that he can eat violet-colored yogurt prepared by his Soviet cook and delivered by a Filipino waiter at specified times during the remaining games of the World Chess Championship.

Any change in color and flavor will have to be reported in writing to tournament officials, said chief arbiter Lothar Schmid.

Thus was the affair whimsically known as the "tempest in a yogurt cup" resolved and the way apparently cleared for resumption of the Soviet champion's defense against Soviet defector Viktor Korchnoi. The first four games, including today's, have ended in draws.

The yogurt controversy erupted after the second game. Mr. Korchnoi protested that Mr. Schmid had passed a cup of yogurt from the Soviet delegation to Mr. Karpov during the game.

During the third game, Mr. Schmid asked Petra Leeuwerick, head of Mr. Korchnoi's delegation, if another yogurt could be delivered to Mr. Karpov. She agreed but said it could not be done again.

Mr. Schmid said that he hoped the compromise would satisfy Mr. Karpov and Mr. Korchnoi, who claimed that the delivery of yogurt from the Soviet delegation could provide coded signals to make a particular move.

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The Myth of Nonalignment

With more than 100 states and movements represented in the Belgrade conference on nonalignment, there is clearly a growing emotion on behalf of national and cultural independence — something that appears, often, in ethnic violence. But there are also some contradictions in this grouping of the ungrouped. The leaders of many states, including Tito, whose Yugoslavia is the host, condemn big-power intervention in Africa. But Cuba is a member of the nonaligned organization, and it requires much naivete to assume that Cuba's adventures in Africa are its own.

This contradiction has haunted the whole concept of nonalignment since its beginnings. Jawaharlal Nehru and Gamal Abdel Nasser, who joined with Tito in launching the movement, had their own associations with the powers at various times — at best, even now, India and Egypt can be called relatively nonaligned. And there is good reason to wonder whether Yugoslavia will maintain its independence after Tito dies, or whether, weakened by internal ethnic and ideological disputes, it draws closer to Moscow or to the West.

For a constant in the whole development of the theory of nonalignment has been the power of the aligned. Where that power is

more or less equal, nonaligned neighbors may live in reasonable freedom where one group of the aligned nations is not challenged by the other, it possesses a very real dominance, or at any rate often seeks to establish such dominance.

So a major effort by the nonaligned is directed at the aligned: Tito calls for a resumption of détente between the United States and the Soviet Union, and for reduction in the global burden of armaments.

At a time when there are so many cleavages within nations along ethnic and cultural lines, as well as between nations over boundaries, trade and the like, nonalignment has an appeal. But it is, essentially, the appeal of a new kind of alignment rather than the absence that marked so much of European history with death and destruction, the kind that could set the world aflame when an Austrian archduke was shot in Sarajevo. But it does assume, if it is to be successful, international collaboration of a closer kind than the world has ever known, a sense of common need, of common responsibility. And much of this was revealed in Tito's opening address. The title of the conference may represent a myth, but its goals, or at least the goals of its principal members, are worth careful consideration by a fragmented world.

Who Are Africa's Aliens?

During its recent stormy meeting, the Organization of African Unity displayed much disunity on the subject of foreign military intervention. This is not surprising: Many African states and movements look to nations abroad for assistance with arms. But they oppose those who do so for reasons different from their own. And not all the military intervention comes from outside Africa — Chad, for instance, is very bitter about Libya's support of rebel groups on Chad's territory, although Chad itself receives help from France.

So there is no simple definition of what "foreign military intervention" really means, and no easy method of unifying the African states to resist such intervention. Indeed, one may even question just what or who is alien to the continent.

To be sure, a quick answer to this would be whatever is not black and which has roots outside Africa. In the 19th century, this meant, primarily, European colonists who dominated Africa from the Mediterranean to the Cape of Good Hope. But Africa is basically a much more complicated territorial and ethnic entity than this suggests. The Arabs have made a deep impression on black Africa, especially along the Indian Ocean coast. And they ruled, for centuries, North Africa, where the indigenous population was not black but Egyptian Copts and Moroccan Berbers. Portuguese, Spanish and Dutch were planted in African soil for centuries. The black tribes themselves migrated much — the wanderings of the Bantu were as epic as those of the Aryans.

All of this tends to explain why the OAU

is having so much difficulty in aligning its members on behalf of any single policy relating to relations with foreign countries, why boundary problems exist in virtually every African state, and why the removal of openly colonial government is only the first step — however difficult — toward creating an independent nationality.

In Rhodesia, for example, how does one balance off the powers retained by the whites under Ian Smith against the powers the guerrilla nationalists derived from countries outside Rhodesia. And which is fairer to the black population of the land? In Namibia, whose difficulties appear to have been resolved — South Africa wants to hang on to the only major port of the country, Walvis Bay. And, of course, there is a kind of internal irony in the fact that Africans, while deploring "foreign intervention," insist on it with respect to both Rhodesia and Namibia. The argument for the stand is that the colonists should remove the colonies. But the same argument is advanced by Somalia against Ethiopia, and by Zaire against Angola, for the aid that they have received from Cuba and the Soviet Union.

But while the African problem cannot be reduced to slogans in words of one syllable, it is still the African problem. It is, in its political and strategic aspects, one that the African states themselves must resolve and thus keep the challenges and opportunities they afford alien adventurers to a minimum. Independence has its heavy responsibilities, and these are centered in the OAU rather than in Washington, Moscow, Paris, London or Havana.

No Need for Nuclear Carrier

The Carter administration's effort to head off construction of a fifth nuclear supercarrier, costing \$2.4 billion, has been rebuffed so far in Congress. After the House voted full speed ahead, the Senate passed a so-called compromise resolution calling for a halt in big-carrier construction — after just one more. The resolution has limited value, for any future Congress is free to insist on still more of the monster ships. So the extravagance has been authorized but it may still be denied an appropriation — and it ought to be.

The defense subcommittee of the House Appropriations Committee has approved the nuclear behemoth, but by a narrow vote of 7-6, and it turned down the air admirals' request for a \$1.1 billion nuclear cruiser to defend the new carrier. With the threat of a presidential veto hanging over the project, perhaps the full committee will review the arguments.

The Navy of the future, as the Senate resolution stated, needs more ships but "substantially smaller and less costly" ones that can be dispersed to cut losses in a missile attack. Most of the Pentagon, and even most of the

Navy, share that view. Six light carriers could be built for the price of just a single nuclear giant.

Big carriers are not needed for the Navy's main mission — to keep open the sea lanes to allies in Europe. Nor are the big ships essential for fighting small wars, showing the flag in peacetime or demonstrating superiority over the Soviet fleet. The Soviet Union has no large carriers and is building none.

The main mission for which nuclear carriers might have a combat edge over smaller vessels would be in launching bombers from close-in against Soviet targets. But there is growing doubt about a carrier's ability to survive the assault of land-based aircraft which would then be directed against it.

The Carter administration would nonetheless let the Navy keep 12 big carrier task forces in operation until the end of the century. Instead of a fifth nuclear carrier, it proposes to build a medium-sized, oil-fired carrier, costing about \$1 billion less. The marginal advantages of nuclear propulsion — for a ship that can travel only as fast and far as its non-nuclear supply ships — are hardly worth \$1 billion.

THE NEW YORK TIMES.

In the International Edition

Seventy-Five Years Ago

July 26, 1903

ANDERSON, Ind. — With one ounce of common salt, six ounces of pure water, six ounces of 90-percent alcohol, and two ounces of aqua-ammonia distributed in five small plates, all covered in an airtight glass tube, Dr. Charles Littlefield demonstrated here today that he had created life in the form of thousands of atomic or animated substances, similar to well-developed "germs of life." The process of transformation of the matter into living forces took 90 minutes.

Fifty Years Ago

July 26, 1928

BERLIN — The parliamentary leader of the German Socialists, the largest group in the Reichstag, writes in an article published here today that he believes the evacuation by foreign troops of the occupied Rhineland area to be the gravest problem in the face of true peace. Rudolph Brutscheid, who is a minister in Mr. Mueller's cabinet, said that he believes that the military security of France would not be compromised if French troops were pulled back from the Rhine.



A New Brand of Stalinism

By Leopold Unger

BRUSSELS — Although he was twice buried, Stalin is more alive today than at any time since March 5, 1953, the day of his death. The recent rulings of Soviet justice have hurled that country back into the most ignominious depths of its past, to the show trials and persecutions of the 1937-1938 and 1948-1952.

Russia has never been without repression. Never has the country known democracy or liberty. Quite the contrary, it has managed to stain entire continents with its type of despotism. But each great purge, which, according to Lenin, was aimed at ridding "the Russian earth of dangerous insects" was the reflection of a deep crisis within the regime, of its precariousness, its anxiety.

This again is the case today. What is the crisis that justifies — for the Kremlin — this latest great purge? Why has Moscow decided to defy intellectuals throughout the world by condemning Alexander Ginzburg and Viktoras Pyatkus on the very same day? Why did it declare war on Judaism by editing Vladimir Slepak, Ida Nudel and Joseph Begun? Why, in trying Anatoli Shcharansky as a spy, did it decide to provoke President Carter and the U.S. political establishment?

No Confidence

Is not the Kremlin aware that whatever the stakes may appear to be today, it has created an atmosphere in which no authority — in Washington or elsewhere — can show the slightest confidence in Moscow; that never before, not even during the invasion of Czechoslovakia, has the Soviet model been so thoroughly rejected by the Communist parties of the West; that 25 years after Stalin's "doctors' plot" there is talk of a "Ginzburg-Shcharansky plot" in the context of a new "final solution" of the Jewish question in the Soviet Union?

Is the internal Soviet crisis sufficiently severe for Moscow to risk losing numerous objectives which it has long sought to obtain through its policy of detente?

There are several reasons for this broadside against dissidents; a whiff of grapes that adds up to 31 years of prison and Gulag. Moscow's timing was no mere coincidence.

The trials began the day when Secretary of State Cyrus Vance and Foreign Minister Andrei Gromyko met in Geneva to discuss an arms cutback and ended on the day that President Carter visited the Berlin Wall. The Kremlin thus sent its brutal message to the West: "Human rights are a strictly internal affair for the Soviet Union and we will not tolerate Mr. Carter's continuing provocation of our citizens through his hypocritical statements — statements which we consider primarily destined as internal U.S. political propaganda."

Furthermore, the Soviet Union recently has been subjected to a series of failures in its espionage activities and Moscow considers covert intelligence activities as absolutely essential to its survival. It is because the Kremlin suffers from an acute case of "surprise complex" that many Soviet commercial or diplomatic envoys, foreign correspondents and members of international organizations are scarcely more than vulgar spies.

Protected by the influence of the Soviet Union and innumerable, intricate understandings, these spies were able to operate almost undisturbed. However, this state of affairs ceased when two Soviet spies

were arrested in New Jersey, not jailed (following blackmail by Moscow against U.S. businessman Jay Crawford), but indicted and above all, not expelled quietly. They are still in the United States where they will face trial and run the risk of a life sentence in prison. Soviet spies no longer feel that they may act with impunity and this is an intolerable situation for the Kremlin.

Moscow knows that it may lose much in this show of force but it believes that the tranquil activity of its agents in the West is of paramount importance and that all of the cynical understandings must be respected. To do so, it is stocking up on high quality "human merchandise" for eventual exchange with the West. Shcharansky, Ginzburg, Pyatkus are of this quality.

Liquidate

In addition, Moscow has decided to end the dissident problem. Supported by a revival of nationalist feelings in the non-Russian republics, by the volume of Jewish emigration, by the creation of a free labor movement, dissidence in the Soviet Union could have coordinated its activities and eventually become open political opposition.

Moscow used a judiciary bloom to sweep the political arena clean. And the Kremlin also was particularly eager to prevent any manifestation of its political opposition at the time of the 10th anniversary of the invasion of Czechoslovakia next month and long before the 1980 Olympic Games, when Moscow will necessarily be more visible to the world than at any time in its history.

Shcharansky, Ginzburg and Pyatkus are pawns in this game too. But the decision to unleash the judges, to liquidate the dissidence by any means — inhuman sentences, harassment and humiliation of witnesses, perjury and anti-Semitic hysteria — was taken by the Kremlin to prepare for a major operation: The Brezhnev succession.

It may seem a paradox that Leonid Brezhnev, president of the Soviet Union, marshal of the armies, secretary general of the Communist Party, a man who has reached the summit of Soviet glory should be bothered by political goats. But all the feverish activity of the Kremlin (Gulag, exile and, hopefully, exchange) is taking place just outside the leader's sickroom. With its characteristic heavy-handedness, the Kremlin is placing itself in a siege mentality, eliminating any possible source of trouble before the intervention and any possible doubt about how the succession will be decided and what type of regime will follow.

Shcharansky, Ginzburg and Pyatkus have been sacrificed so that the regime may perpetuate itself. But the operation was less successful. If the trials were Stalinist in character, the results were not; there were no confessions.

Farce

The three men held their heads high against their persecutors. Pyatkus, who was sentenced to 10 years, declared during the trial: "I refuse to have anything to do with this farce." Ginzburg, who was sentenced to eight years: "I refuse to seek the clemency of this court and I send my greetings to my friend Anatoli."

Shcharansky, 13 years: "I am proud to have known men such as [Andrei] Sakharov, [Yuri] Orlov and Ginzburg who are the pride of Russia. To my wife and to my peo-

ple I declare from this box: Next Year in Jerusalem."

In a country where it is the custom to see prisoners on their knees, proud and dignified men in the dock are a new and profoundly important factor: the iniquitous Stalinism exercised by Brezhnev suffers from a great handicap. It can wreck a man's life, but not his spirit.

Shcharansky, Ginzburg and Pyatkus were put on trial, but it was the Soviet regime that was found guilty.

Mr. Unger is a columnist for the International Herald Tribune.

Summit's Follow-up Is the Test

By Daniel Yergin

For the West Germans to reflate, for the Japanese to reduce their trade surplus. But, the far more important wait is the one for the United States to control its unquenchable thirst for oil imports — for that is the wild card in the world economy.

Without some restraint, the solemn commitments of the Bonn summit will be remembered as a bit of jest. For the growing weight of oil imports bears the main responsibility for the weakness of the dollar. The U.S. record on oil does differ from that of the rest of the world. For instance, while the U.S. consumption of oil increased 18 percent in absolute terms between 1973 and 1978, France's declined by 10 percent. The efforts by the Europeans just before the Bonn meeting to insulate their currencies from the dollar's fluctuations shows how deep their apprehension is about its future.

If there is no success in reversing the trend in U.S. oil consumption and imports, the dollar will continue to weaken in the next several months. The erosion may not remain so gradual. The Organization of Petroleum Exporting Countries, whose deliberations on their "losses" from the dollar's decline deserve more attention, is now considering whether to raise the price of oil in a "technical correction" for the dollar's depreciation.

Strained

Matters became even more strained on the eve of the Bonn summit. Indeed, Carter came close to undercutting the whole affair. For many months, he has been pointing out the overwhelming problem posed by U.S. oil imports. Then, just before the summit, he began proclaiming that oil has slipped to number three in U.S. imports, suggesting a solution was near.

The president had obviously taken some bad advice from colleagues who, no doubt, had warned him that he needed to be seen as strong and standing up for "U.S. interests" to restore some of his waning domestic popularity. But, by taking this tack, he added to the complacency over energy, and provided powerful ammunition for those who oppose measures to control oil imports. The assertion about imports, it should be noted, was highly misleading. Aside from the bump from Alaskan production, nothing has happened to arrest the increasing dependence on imports.

Still, the summit was "doomed to succeed." Not one of the leaders involved could afford otherwise, and they agreed on some useful, if general, commitments. But will the follow-up be as disappointing as those of the previous summits?

The classic concerns about protectionism are based upon fears of the bad effects of "beggar thy neighbor" policies. But the summits play a variation on this theme — "wait on thy neighbor" — wait

Rights in Americas: A Modest Success

By Tom Wicker

WASHINGTON — The vote of Grenada finally brought into being this past week an Inter-American Court of Human Rights that has been nine years in winning hemisphere approval. A day or so later, Argentina learned that the U.S. Export-Import Bank had turned down a \$270-million loan for electrical equipment for a hydroelectric project on the upper Parana River. And in the same week, a Bolivian election was annulled by a court, only to be followed by a military coup.

At least one connecting link between all these events was President Carter's human rights policy. There are those who think that policy is pushed too erratically — not hard enough against strategically important allies like South Korea and perhaps too hard for the good of Soviet dissidents like Anatoli Shcharansky; and after a year and a half, and despite setbacks like the Bolivian coup, the Carter human rights policy has had its modest successes, too.

Reservations

Some of those most involved in that policy think its major achievement has been an improved world "climate of human rights." Just recently, the Council on Hemispheric Affairs, in releasing a country-by-country assessment of human rights in the Americas, expressed some reservations about the administration's performance, but concluded:

"The Carter administration, through its human rights policy, has made a significant contribution to the cause of humanity in the hemisphere. We have now entered a period where no totalitarian regime can victimize its own people with impunity or in silence."

The U.S. signature in June, 1977 finally led the way toward the necessary ratifications — Grenada's was the 11th and deciding vote on the hemisphere court of human rights; whether Congress will now ratify what Carter signed remains to be seen. Argentina's dismal record on human rights, the worst in the hemisphere — more than 3,500 acknowledged political prisoners and probably at least that many more unacknowledged — evoked the Ex-Im Bank's refusal to make the \$270-million loan. And human rights pressures from Washington and elsewhere were pushing Bolivia toward a return to civilian rule, until the latest military coup turned back the clock.

Katangese Incident

Nor is it only in this hemisphere that the human rights policy is being felt. When President Mobutu of Zaire recently declared an amnesty for political prisoners, including a former foreign minister, he was completing his end of an arrangement worked out when the United States agreed to ferry French troops into Shaba Province to repel last spring's Katangese invaders.

And although nobody in Washington claims specific credit, it seems likely that the improved "climate of human rights" had something to do with Indonesia's recent release of 10,000 political prisoners — although there are at least 20,000 more in Indonesian jails. But one obvious and probably effective human rights move — a U.S. embargo on Ugandan coffee — has not yet been taken by the Carter administration.

It is among the nations of this hemisphere, nonetheless, where the human rights policy has been most heavily felt. Direct cause and effect are not always traceable but it's reasonable to suppose, for example, that elections were held in Peru and Ecuador sooner than they might have been without human rights pressures. The improved "climate" surely influenced the military to abide by the results of elections in the Dominican Republic.

Link to Killing

The liberalization of the Pinochet regime in Chile, though far from complete, has been measurable; and when a U.S. grand jury hands down expected indictments in the assassination in Washington of former Chilean foreign minister Orlando Letelier, they may so link the killing to the Chilean government as to endanger Gen. Pinochet's personal position atop the military junta. And almost any conceivable successor, it's believed here, would be more concerned for human rights than he has been.

Notable progress also has been made in Brazil where, after 14 years of military rule, a "back to the barracks" movement is said to be gathering force in the army and among those who originally welcomed authoritarian government and long supported it. But for all these gains, the coup in Bolivia and the situation in Argentina under score the warnings of human rights activists here that the task has hardly begun, even in this hemisphere.

Repression

Amnesty International estimates that as many as 15,000 people have disappeared in Argentina since the military coup of March, 1976. Dr. Oscar Alende, a former governor of Buenos Aires, visited the United States recently and said 1,000 persons have died by rightist terrorist action this year, probably with police connivance. Religious freedom has been canceled and seven secret prison camps, according to Alende, are full to overflowing. And although Gen. Jorge Rafael Videla officially becomes president on Aug. 1, in a seeming step toward the rule of law, the expectation here is for continuing repression and violence.

failed throughout the Western world, the commitments made a Bonn would look very silly indeed. At that point, the administration might at last be able to overcome congressional resistance to measures to restrict oil imports. As then the Western leaders could meet at another summit to pick up the pieces.

How much better it would be if the required steps — reduce a imports, establish greater rationality in domestic energy pricing, and create incentives for energy-saver — could be taken by the United States now, before the system buckles. But perhaps the crisis is necessary. Sad as it is to say, we may have reached the point in the politics of energy where an upheaval is less nasty than that of 1973 is required if our elected leaders are to come to their senses and see beyond Proposition 13 to their constituents' real interests. Although the issue could have been clarified more by the Bonn summit, it was clarified enough.

Daniel Yergin, a member of the energy project at the Harvard Business School, wrote this article for The New York Times.

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Effort Sputtering to End

Last Try for Key Data
By House Bribery Probe

By Fred Barbash

WASHINGTON, July 25 (WP) — Barring one long-shot bid for the crucial testimony of a former South Korean diplomat, the House's congressional bribery investigation is about to sputter to an inconclusive end.

With little hope of success, the State Department has agreed, according to sources, to try to set up a meeting of two House committee members with South Korean President Park Chung Hee in an effort to obtain the testimony of Mr. Park's one-time adviser Kim Dong Jo, former ambassador to the United States.

Leon Jaworski, special counsel to the House Committee on Standards of Official Conduct, has said that his investigation would be only half complete without Mr. Kim's cooperation.

Investigators are known to feel that with Mr. Kim's testimony they may have cases involving serious violations against several more current members of Congress.

Cash Payments

Businessman Tongsun Park already has testified that he made more than \$750,000 in payments, mostly cash, to members of Congress.

Mr. Kim's testimony was sought to show that members who have said that they could not know that

businessman Mr. Park was also a Korean CIA agent, acting on behalf of the Korean government, would have no such excuse about diplomat Mr. Kim, who is suspected of having made or directed payments to as many as 10 current House members.

The Korean government — citing diplomatic immunity — has balked at making Mr. Kim available to testify, despite a House vote to cut off economic aid to South Korea in retaliation.

Investigators feel that without Mr. Kim's testimony there is nothing left to do. The 18-month investigation would be completed after producing only four charges of ethics violations against incumbent House members.

Four Democrats

The committee voted on July 12 to bring disciplinary proceedings against Rep. John McFall, Rep. Edward Roybal and Rep. Charles Wilson, all California Democrats, and Rep. Edward Patten, D-N.J.

Sources said that the decision to try again for Mr. Kim's testimony was made yesterday at a meeting including House Speaker Thomas O'Neill Jr., D-Mass., Deputy Secretary of State Warren Christopher, Minority Leader John Rhodes, R-Ariz., and Rep. Floyd Spence, R-S.C., and Rep. Lee Hamilton, D-Ind. Rep. Spence and Rep. Hamilton are to be the committee's representatives to President Park, should a meeting be set up.

Kim Dong Jo quit as a foreign-policy adviser to President Park in June, citing the trouble that his involvement in the case had caused the country.

Because he then became a private citizen, there was hope that Mr. Kim might be available to testify. Since then, however, there has been no sign of cooperation despite the pressure of the aid-cut-off decision and a number of concessions made by Mr. Jaworski, including agreeing that the testimony would not have to be sworn.

Air Controllers Set
Walkout in France

PARIS, July 25 (Reuters) — French air traffic controllers today voted to begin a nationwide work-to-rule strike Friday, which would delay hundreds of vacation flights in France and to Spain.

Union officials said that no time limit had been set for the strike, called to support demands for better pay and working conditions and improved air security over France.

Work-to-rule strikes staged by controllers in southern and western France over the last two weekends have disrupted European air traffic.

Dog Activist
Set For Jail
In England

LONDON, July 25 (NYT) — Frank Clifford, of Burnley, is England's newest hero. He is preparing to go to jail for his dog.

Mr. Clifford, 42, organized the Burnley Dog Owners Action Committee and led dog-in demonstrations when the town council passed a law last year prohibiting dogs in 141 acres of the town's 657 acres of parkland. Hundreds of other irate owners joined him.

If he continues to defy the law and a court injunction placed on him last month, he will be sent to jail for contempt of court. He is to appear in a London court Thursday for a last chance to repent. He said yesterday that he expected to spend Thursday night in Brixton prison.

Mr. Clifford's campaign has put England in an emotional crisis. In a nation of dog lovers, he is naturally applauded.

Sanitary Problem

On the other hand, even the English have begun to be concerned about the growing sanitary problem caused by urban dogs. The sidewalks of London are as filthy as those in New York or Paris in spite of a seldom-enforced law threatening fines of £25 (about \$48) for allowing one's dog to "foul the footpaths."

A London man who has spent many summer vacations in unspoiled Cornwall reported this year that even the most remote villages there are being fouled by visiting city dogs.

The main demands for a clean-up come from mothers of young children. They want their children to be able to play freely in parks. Their pressure led the Greater London Council last year to take action similar to Burnley's, placing much of the city's parkland off limits to dogs and allowing dogs to be exercised only in specified park areas.

The outcry from London dog owners was spirited at first, but there were no Frank Cliffords to lead them and they have reluctantly accepted the ban.

Mr. Clifford and his sympathizers fear that if Burnley's ban is not contested, the idea will spread across the nation. Already, 19 other English boroughs have asked Burnley's council for copies of its law.

Mr. Clifford, an unemployed salesman who actually lives in the town of Nelson, a few miles from Burnley, took up the cause on behalf of elderly Burnley residents who now have to walk one or two miles to find a park for their dogs.

He owns two dogs: a golden retriever named Honey and a springer spaniel named Mandy.

The controversy took a violent turn last night. Someone poured acid on his car. He has asked for police protection.

Besides an indefinite prison sentence, Mr. Clifford must come up with £20,000 (about \$38,000) for court costs stemming from his unsuccessful case against Burnley's council.

Officials see little chance that a law like New York's, requiring dog owners to clean up after their dogs, will be passed anywhere in England.

— ROY REED

Separatists Claim
Chamonix Explosion

PARIS, July 25 (IHT) — A previously unknown separatist organization calling itself the Nationalist Front of Savoy claimed responsibility for the bomb blast yesterday at the Aiguille du Midi cable car station in Chamonix.

The police said that they had never heard of the group and could not explain the reason for the attack, which seriously damaged the machinery of the cable car system, the highest in Europe. It will be closed for repairs for at least a week.



PILLOW HAS WOOL ON TOP, DOWN UNDER — A prize Polwarth ram, in his full wool coat, makes a nice support for Pippa Lawrence of the Fornosa Estate, Tasmania, while the two wait for the judges to call them into the ring at Melbourne's Centenary Sheep Show.

Against Tentative Contract

N. Y. Postal Union Leader Urges Strike

By Pranay Gupre

NEW YORK, July 25 (NYT) — The president of the New York Metro Area Postal Workers Union recommended to the union's 23,000 members last night that they strike in protest against the tentative contract agreed on last week with the U.S. Postal Service.

In doing so, Moe Biller, who heads the nation's biggest and most militant chapter of the postal union, became the first postal labor leader in the country to call formally for a strike, which would be illegal under federal statutes.

Walkouts continued yesterday at bulk-mail facilities in Jersey City, N.J., and outside San Francisco despite the dismissals of 100 postal employees and court injunctions barring the strikes. The walkouts were not authorized by union leaders, and postal officials sought to minimize their impact yesterday, saying that letter traffic was moving normally in the two areas although parcel-post deliveries lagged severely.

At a meeting of shop stewards last night, Mr. Biller proposed that the delegates — who represent workers from Manhattan, the Bronx and New Jersey — authorize an immediate strike. After considerable debate, the delegates decided that the matter should be voted on by the union membership.

Mr. Biller said he was confident that the membership would adopt his recommendation. But some delegates suggested that a strike would

have an adverse effect on postal workers and on the metropolitan area.

After Mr. Biller's strike call, shop stewards of Branch 36 of the National Association of Letter Carriers, whose 7,000 members constitute the nation's largest chapter of the letter carriers' union, indicated that they would support a strike by the postal workers union, which includes clerks, mail handlers and motor vehicle operators. Branch 36 represents workers in Manhattan and the Bronx.

The letter carriers' representatives said they were prepared to go on strike last night had the postal workers union authorized a walk-out by its members.

There was no immediate comment last night from national leaders of the unions, whose New York officials called for walkouts.

The national leadership had voiced optimism Friday, when the contract agreement was reached, that the settlement would be ratified by the general membership without much problem.

The tentative settlement calls for increases of 19.5 percent over three years and cost-of-living payments for the average postal worker, who now makes about \$16,000 a year. In a significant concession to union demands, the Postal Service also agreed to retain a no-layoff clause.

\$111,000 Renoir
Is Stolen in Turin

TURIN, July 25 (AP) — A Renoir painting valued at \$111,000 was stolen from the Turin Modern Art Gallery, police reported this week.

The theft of the oil painting, depicting Auguste Renoir's son Paul as a child, was discovered late Friday as the gallery guards were making an inspection before closure. The thief or thieves cut the canvas and left the frame hanging on the wall, police said.

Notes From Berlin
Of Blacklists, Blue Jeans, Boars

By Joseph Fitchett

BERLIN (IHT) — West German society accepts spying on one's neighbor. President Carter's recent motorcade route here was papered with police handbills inviting information about suspicious characters.

A newly arrived British girl, who had just moved into an apartment near the route, was visited by four police teams — evidence of a zealous response to the police call.

A more sinister manifestation of this mentality was the anti-leftist leaflet called Tropf, an anonymous mimeographed bulletin purveying information about anyone it considered an "enemy of the constitution." Most targets were leftists and liberals, including suspect 15-year-old schoolchildren.

The leaflet plopped regularly for four years onto the desks of public officials and corporate executives, presumably to insure that its victims were screened out of jobs or denied promotions. Besides names and alleged affiliations, this cross-indexed roster listed home addresses and phone numbers, for interested rightist bullies.

Each issue gave a confidential post office box number where vigilantes could send denunciations for future issues of Tropf — the German word for a liquid "drop."

The leaflet operated illegally, without a responsible editor who could be sued for libel. After city officials finally began an inquiry, Tropf announced last week that it was ceasing publication in "disgust" at a Berlin sapped by radicals.

Its final days were enlivened by a stinging match among West Berlin politicians accusing each other's parties of sponsoring the blacklist. Many Berliners now suspect that Tropf is just lying low until it can start distilling its drops of poison again.

Berlin has a hunting season. The three Western sectors contain most of prewar Berlin's waterways, woods and vast parks, and the wildlife today includes deer, rabbit, pheasant — and wild boar.

"Our game is quite frisky," a spokesman explains at the mayor's office. For three years, a boar named Erwin has been "terrorizing garden restaurants." He dashes in from the woods and scares away the customers, knocks the food off the abandoned tables and gobbles it, the spokesman said.

Since Berliners are not supposed to be armed, the hunting is mostly done by members of the allied armed forces. Each nation has its sector. The Americans shoot in Grunewald Forest (whose museum was once a Prussian hunting castle), the British have Spandau Forest (with Rudolf Heese) and the French have Tegel Forest and a waterway thick with duck.

Annual quotas are set — U.S.

hunters were allowed 6 deer and 15 boar last year — and hunters have to be accompanied by a Berlin forester, who tells them what and where to shoot. All shots must be aimed downward or into hillsides because of the proximity of built-up areas.

A guide in the French sector says that the pheasants have learned to take refuge in the lee of the Berlin wall, where hunters are afraid to retrieve them for fear of blundering into a minefield.

Separated by the wall, East and West Berliners manage to keep up on each other's news by means of television. President Carter's visit was seen live by East Berliners, 75 percent of whom are believed to watch West Berlin programs.

Trying to keep up with the West Berliners, Erich Honecker's regime defends the chain of Intershops where East Germans can buy the Western-made consumer goods that they see advertised on television from "the other side."

Levis are the hottest item, but Intershops offer luxuries from Johnny Walker whiskey and Black and Decker home tools to Fiat cars. All East Germans may patronize the Intershops, but they must spend hard currency — "West marks," not the marks of East Germany. West German marks come from relatives, book royalties or other income authorized under the Berlin arrangements agreed on by the four powers in 1972.

For party faithful who disdain capitalist funds, a new chain of DeLiaist shops carries imported com-

Norway on Alert
Over Intrusions
By Soviet Ships

OSLO, July 25 (AP) — Norway entered only four, instead of the planned six-unit squadron, for the routine North Atlantic Treaty Organization naval exercise starting today in order to keep up intensified protection of its northern coastline against an increasing number of unexplained territorial violations by Soviet freighters.

Naval units from seven countries are taking part in the weeklong maneuver by NATO's standing Atlantic naval forces off northern Norway, close to the area where at least eight Soviet vessels and an East German ship have intruded illegally inside Norway's four-mile territorial limit in recent weeks.

The NATO naval commander said that the cut in the number of Norwegian vessels in the exercise does not affect the planned operations. None of the foreign vessels is engaged in the Norwegian alert against possible new Soviet intrusions into Norwegian fords.

sumer items for East German marks. But the prices run four times higher, or roughly the same markup as West marks on the black market. Many East Berlin artisans now will do repairs and other odd jobs only if they are paid at least partly in West marks.

The two-currency problem contributes to what Guenther Grass calls "niche communism" — the tendency for East Germans to retreat from an unreal day-to-day routine into niches of private life.

The West German Bar Association, faced with declining public respect for the legal profession because of young lawyers' suspected collusion with terrorist clients, is finally taking action against another form of malpractice — the traffic in Middle Eastern immigrants who exploit West Berlin's open-arms policy for political refugees.

Although one of the world's most hazardous journeys is the trip across the wall for fleeing East Germans, the same route is an easy gateway into West Berlin if a non-German traveler has a lawyer telling him how to claim political asylum.

Arriving at East Berlin's Schoenefeld Airport with a transit visa, Middle Easterners — originally Turks and Pakistanis, but increasingly Lebanese and Palestinians — can take an airport bus across the line. West Berlin applies no checks to people coming in, a reflection of its welcome for Communist refugees.

Applicants for political asylum are given \$150 monthly and have the right to work while their claim is being heard, a procedure that may take eight years. Through this loophole, more than 10,000 non-European refugees have entered West Berlin in recent years.

A new administrative procedure has been adopted. Recently, after two couriers were intercepted crossing toward East Berlin with asylum applications made out in the names of illiterate incoming passengers, the police flagged down the paperless arrivals and sent two filled jumbo jets back to the Middle East.

Soviet Court Rejects
Appeal by Activist

MOSCOW, July 25 (AP) — A Soviet court today rejected the appeal brought by Jewish activist Joseph Begun on his conviction for passport-law violations, dissident sources said.

The sources said the court confirmed the sentence of three years' internal exile imposed on Mr. Begun at his trial in late June. Mr. Begun, 46, was arrested in May outside the Moscow courtroom where human-rights activist Yuri Orlov was on trial.



Tomorrow today.

One reason why BMW cars are so exclusive stems from the original approach of their designers — they concentrate on the most important aspects.

Unlike other manufacturers of top class cars, BMW quite purposely avoids obtrusive proportions and exhibitionist styling. Since the functional character of BMW cars does not tolerate any superficial

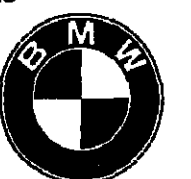
embellishments the largest of the BMW range of cars is transgressing the rule that states that expensive cars have to be conspicuous.

This extraordinary concept appeals to an ever growing number of discerning drivers who see their car as a car, rather than as a status symbol to display their wealth.

Being able to choose performance without ostentation will be a luxury in the future.

BMW cars

The BMW range of fine automobiles: the ultimate in performance, comfort and safety. Designed for the man who appreciates the excitement of driving.



BMW — Sheer driving pleasure

Music in Paris

The Origins of Opera Comique Picturesquely Evoked

By David Stevens

PARIS, July 25 (IHT) — A return to the 18th-century sources of opera comique, that uniquely French form of musical theater, may be upon us — even in the city of its turbulent birth, where it has long been thought moribund.

The Opera Comique has just been beaten to the draw in Paris by a delightful production of a work that occupies a key place in the history of the genre — Antoine Dauvergne's "Les Troqueurs" — in circumstances that picturesquely evoked the popular origins of opera comique in the theaters of the Foire Saint-Laurent and Foire Saint-Germain.

The Albi Festival's enterprising archaeological work in recent years will reach the Opera Comique itself next season with a staging of Philidor's "Tom Jones."

"Les Troqueurs" had its premiere at the Foire Saint-Laurent (near the present Gare de l'Est) on July 30, 1753. In circumstances that were themselves theatrical. It was a lively time in the Parisian operatic world, the epoch of the aesthetic dispute known as the *querelle des Bouffons*, of Rousseau and his "Devin du Village," and only a year after the celebrated revival of Pergolesi's "La Serva Padrona" had caused such a furor.

The Opera Comique, in capital letters, had existed as an officially recognized but intermittent institution in the fairs for almost 40 years, periodically suppressed by theatrical infighting — either because it supposedly encroached on the Opera's monopoly on singing and dancing, or on the Comedie Francaise's monopoly on dialogue, or simply because these two institutions or the Italiane felt threatened by its popularity.

The two fair theaters had just

been taken over by Jean Monnet, who seems to have been the Rolf Liebermann of his day, a man with a genius for running a theater. He had learned how a professional theater should be equipped and run during a stay in London, and he rebuilt the fair theaters accordingly. He was a skillful matchmaker of librettist-composer teams, knew how to please popular taste and even managed to pay his bills.

The rage for Italian opera was not lost on Monnet, and the story is that he let it be known that he had searched as far as Vienna to find an Italian composer ready to try his hand at a French libretto. Only after "Les Troqueurs" had become a hit did he let it be known that the text of Jean-Joseph Vade — an adroit parodist of the serious operas of the day — had been set to music by Dauvergne, a Frenchman (and later musical director at the Opera).

"Les Troqueurs," a one-act farce lasting less than an hour, has only four characters. Lubin and Lucas, a couple of young artisanal repairmen, decide to swap fiancées. The girls pretend to go along but foil the idea by being so disagreeable that the men switch back. This fragile plot, with its rudimentary resemblance to Mozart's "Così fan Tutte," is spiced along by an agreeably inventive succession of solos and ensembles, as pleasing now as it must have been to the fair audiences.

The piece does not meet all the classic definitions of an opera comique — it is set entirely to music, with recitatives instead of spoken dialogue — but it certainly is authentic in its use of popular instead of aristocratic or mythical characters, the simplicity of its plot (based on a La Fontaine tale) and the

Alice Pole turned a narrow passage between two Paris streets into a theater for performance of "Les Troqueurs," an 18th-century opera comique.

Susan Anderson

charming unsophistication of the music.

This revival was given on a tiny temporary stage set up in the Cour du Commerce Saint-Andre, a half-hidden passage just off Boulevard Saint-Germain, which delightfully helped to capture what must have been the street-theater atmosphere of the fairs.

Alice Pole, an American with a background in the theater arts and conveniently the operator of a boutique in the narrow passage where the show was mounted, staged and designed the production with a convincingly authentic feeling for the genre. She turned the postage-stamp stage into an advan-



tage with adroit movement and by using the doors and windows of the adjacent stores as an extension of the stage. With an audience of less than 100, audibility was no problem despite traffic noise from Rue Saint-Andre-des-Arts.

The ballet music from "Les Troqueurs" was used for a partly choreographed prologue, followed by some pieces (by another composer) played on a recorder by a "troubadour" in an elaborate period costume, before the opera proper.

Michel Laplenie, as Lubin, stood out in the multinational cast, with a handsome tenor and professional stage presence. Susan Falk as Mar-

got, Arlene Thiel as Fanchon and Graham Routley as Lucas sang less evenly, but rounded out an appealing quartet. A seven-piece orchestra, with Arthur Haas conducting from the harpsichord, gave a deft account of Dauvergne's music.

The production, originally put on last month for a neighborhood 6th Arrondissement festival, went over so well it was brought back last week for eight performances by the Festival Estival. It may lead to further exploration of the early opera comique repertory. Alice Pole looked over some 40 scores before picking "Les Troqueurs," and may well have something else up her sleeve.

Fashion in Paris

Givenchy Takes a Bow for Great Days

By Eugenia Sheppard

PARIS, July 25 — For the first time in his career, Givenchy came out of his workroom and took a bow at the end of his opening this morning. It was no wonder. His audience had applauded all through the performance and were loath to leave without seeing him.

"I wanted to bring back the great old days of fashion," says Givenchy. Yes, it's a revival, but of a mood rather than a definite period. Actually, it's a splurge of all the feminine luxuries he may remember vaguely from the days when he was a young beginner in fashion at the boutique of the famous Schiaparelli. With his usual meticulous care for details, he has put them all together like a writer concocting a novel and has come out with the most unique and charming collection that Paris has seen in a long time.

Givenchy has narrowed the shape of his clothes to sylph-like proportions and raised most of his skirts to the knees, but these are just the bare bones of the warm, sexy look he brings to life with the velvets, the brocades, the glitter, the wicked little hats, the big fur muffs and the short boots that look more like high-button shoes.

Givenchy has created all his own hats, and it looks as if he were very much back in the millinery business again. In the collection, the hat is an important part of every costume except the most formal evening clothes. They are small shapes and perched impudently forward on Alexander's hairdo, just above one eye. The daytime felts are decorated with quills that stand up or sometimes look as if they had been shot through the wearer's head. Tiny black velvets go with the cocktail clothes sprout egress, birds of paradise feathers of ostrich plumes. Almost all of them have tiny veils.

A Trademark

Givenchy's suit story is the somewhat longer jacket of velvet, flannel or loden. The little velvet collar is one of the collection's trademarks and so are the ribbon-bound edges of both the short, narrow skirts and those that break into pleats below a snug hipline.

As always, Givenchy likes subtle plaids and combines them with his velvet jacket.

Typical of the cocktail-party look is the black velvet coat over a little black velvet chemise with a hemline almost up to the knees and slit up the side, too. For accessories, it has the black suede booties, a huge black fox muff and a little black velvet hat shaped like a heart.

From then on, it's glitter, glitter, little star. Black velvet makes a wonderful background for Givenchy's embroideries of beads, sequins and square-cut rhinestones. Sometimes, glitter is on the top of the dress, other times on the skirt, or else it can be sprinkled delicately on black chiffon that often covers the arms and necklines. Givenchy likes best to show long legs in those black nylons that every woman should stock up on, and feet in the high-heeled booties or delicate black silk shoes that tie at the instep with little rhinestone balls.

Givenchy's clothes for restaurants, dinners, the theater or whatever, are made of satin and charmeuse, besides velvet, all black, and sometimes all three fabrics are combined. To tell about just a few of his fantasies: There's the rhinestone-embroidered battle jacket to go over a simple little dress outlined in glitter; a jump suit of gold sequins and beads; a coat with egress growing from the puffed-up black satin sleeves and a dress with feathers nestling in the décolletage. The black nylons are sometimes embroidered with a rhinestone rose, just above the knees.

For his formal gowns, Givenchy likes a quite bare, bosomy top, snugly fitted all through the middle. Below are big tulip-shaped skirts of taffeta or stiff silk gauze in vivid colors like hot pink and hot orange, electric blue and royal purple.

Givenchy had a good time designing his collection, but with him fantasy never goes too far.

Ungaro

At Ungaro, to see is not to believe. A designer who was once a tailor and a purist seems to have gone completely off on another track.

Ungaro has entered still another phase of folklore and fantasy, with a touch of circus thrown in for good measure. In case you missed the point, Ungaro also had the models wearing Toulouse-Lautrec wigs — in brilliant purple, red, green and orange — beanie caps dripping with black or gold veils and skinny, laced-up booties climbing to under the knee.

It was too bad, because Ungaro started well on coats, with long-



Givenchy's brocade tunic over black satin underskirt.

labeled, broad, mannish overcoats, always touched up with velvet, as in most other Paris collections.

All through the performance, Ungaro used satin, often quilted, for collar, cuffs or whole jackets. His evening was strictly circus with clown satin pants and big satin coats with fur shoulder pads. Little yellow vests with black satin lapels, which leave the shoulders bare, looked just like the costumes that the girls wear on a flying trapeze.

Besides satin, Ungaro used a lot of velvet, lace, and big blanket plaids, the latter most often decked out with fox, fox and more fox.

Chanel

Chanel is something like Shakespeare. Everybody looks forward to finding the familiar lines.

This afternoon, spectators who filled the famous Chanel salon on the Rue Cambon were happy to find the shoulders only slightly

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OECD Sees Decline In U.S. Growth Rate

By Paul Lewis

PARIS, July 25 (NYT) — President Carter should accept a sharp reduction in U.S. economic growth next year and a possible rise in unemployment as necessary to reduce inflation and strengthen the dollar, the Organization for Economic Cooperation and Development says in its latest report on the U.S. economy released here today.

The OECD calls on Mr. Carter to give "top priority" to reducing U.S. inflation, citing "the key role of the dollar in the international monetary system" as a major reason.

On the basis of the administration's current economic policies, the OECD predicts an economic slowdown next year that will be "significantly more pronounced" than the administration now anticipates, while inflation is likely to be higher than it forecasts and the balance of payments will remain deep in the red.

Under these circumstances, the OECD urges the administration to accept this sharp cut in economic growth as a necessary first step to curb inflation and ease speculative pressures against the dollar, even though unemployment could start edging up as a result.

The OECD warns in blunt terms that it may now be impossible to reduce the U.S. unemployment rate below its current level of 5.7 percent of the labor force in the foreseeable future without re-igniting inflationary fires and further weakening the dollar.

These conservative policy recommendations contrast sharply with OECD pleadings a year ago that the United States maintain a high rate of economic growth to keep world trade expanding and help the rest of the world pull out of the recession. The change reflects the failure of the OECD's so-called "locomotive" recovery strategy, under which other economically strong countries, like West Germany and Japan, were supposed to take some of the burden of sustaining world trade off America's shoulders by expanding their economies faster and sucking in more imports.

Neither Germany nor Japan has been willing to make this contribution so far, with the result that America's relatively fast rate of

economic growth has led to overheating and an unsustainable balance-of-payments deficit with the rest of the world.

The OECD's pessimistic forecasts were made before the Bonn summit, although OECD officials say the meeting's modest results are unlikely to change them significantly.

While the Carter administration still says that economic growth can be sustained at between 4 and 4.5 percent this year and next, the OECD predicts that it will fall to 3 percent annual rate during the first half of 1979. This deceleration means that unemployment is unlikely to fall any further and may start rising again, the OECD says.

Despite this forecast slowdown in growth, the OECD believes that prices will continue rising at between 7 and 7.5 percent during the 12-month period ending mid-1979, well above the 6.5-percent inflation rate that the administration still says it hopes for next year.

The OECD also warns that the balance of payments will probably show a deficit of some \$12 billion on current account in 1979, thus continuing what it calls "the dramatic deterioration" that has been a feature of the last three years.

The OECD finds no evidence that these deficits mean U.S. goods are uncompetitive on world markets, implying that the administration should not welcome the depreciation in the dollar that they bring. The best way to correct the deficit, the OECD says, is by reducing oil imports, stimulating faster growth in other countries and encouraging U.S. companies to sell more abroad.

The OECD also says, by reducing oil imports, stimulating faster growth in other countries and encouraging U.S. companies to sell more abroad.

K Mart to Sell Unit in Australia

TROY, Mich., July 25 (AP-DJ) — K Mart said today it plans to sell its controlling interest in K Mart Australia in return for a 20-percent stake in its current joint partner G.J. Coles & Co.

K Mart currently owns 51 percent of the venture, which operates 36 stores. Under the agreement, K Mart would transfer its interest in the venture, certain other K Mart assets and an additional amount in cash (\$14 million, Reuters reported)

Suit Alleges U.S. Seen Facing Credit Crunch

Fraud Deals By Citibank

Ex-Employee Cites Europe 'Violations'

NEW YORK, July 25 (Reuters) — A former Citibank employee has filed a \$14 million breach of employment contract suit against the bank alleging it covered up fraudulent currency trading operations among its European branches.

The suit was filed here by David Edwards, who said his employment was terminated Feb. 9. The suit said that through his work Mr. Edwards discovered that the branches engaged in practices "which appeared to violate the laws of the countries" in which they were doing business.

Citibank said today that a study by outside auditors is under way. The court papers said that since 1975 Mr. Edwards uncovered information that Citibank's branches in Paris, Milan, Amsterdam, London, Frankfurt and Zurich allegedly developed exchange and money market transactions with Citibank's branch in Nassau. The transactions were described as the movement of currency labeled as either a sale or purchase, placement or deposit.

Under the plan the European bank would appear to have incurred a loss thereby understating its earnings in tax returns filed in the country where the branch was doing business, the court papers alleged.

Mr. Edwards said he was attempting to have Citibank officials examine the irregularities but was told his employment was terminated because he allegedly acted "in a manner that is detrimental to the best interests of Citibank."

NEW YORK, July 25 (AP-DJ) — Concern is growing among bankers, businessmen and economists that the U.S. economy will soon be facing a credit crunch.

"There's a strong possibility of a credit crunch in the next six to nine months: there's no sign of a letup in borrowing by consumers or businesses, and Treasury borrowing is increasing. Something may have to give," says a senior official of Pittsburgh National Bank.

If businessmen and consumers are squeezed out of the loan market, they also will reduce their spending on inventories, capital goods, houses and automobiles. Such cutbacks could help push the economy into a recession, an outcome that a sizable minority of economists already expects.

Adding up all the prospective credit demands for this year produces some enormous numbers. James O'Leary, vice chairman of U.S. Trust of New York, figures that \$466.5 billion will have to be raised in the credit market this year, a 15-percent increase from 1977 when total borrowing expanded 36 percent.

The Treasury will do much to soak up the available money. Townsend-Greenebank estimates that it will raise \$63.5 billion in the fourth quarter, up from \$43.5 billion in the current quarter. Treasury borrowing, of course, is not curbed by higher interest rates, although rising rates can alter the shape and timing of the loans. "We believe that the heavy Treasury demands will draw funds away from the private sector," says an official of Fidelity Bank.

Analysts, of course, are not unanimous and one source of uncertainty is the Federal Reserve, which has permitted short-term interest rates to climb. Since April, the rate on federal funds has moved up a full percentage point. Some economists, however, contend that the rise has stemmed primarily from growing demand for credit, not from Fed policy.

In general, analysts who look for a credit crunch and a recession early next year are expecting the Fed to become more restrictive while those who are not anticipating a recession expect Fed policy to continue to be stimulative.

One source of confusion, for the Fed as well as for economic forecasters, is the future course of business-loan demand. One Citibank analyst believes that demand will

remain strong at least through 1978, even though he looks for a significant slowing of general business activity by year's end. He notes that inflation has helped to increase loan demand.

Yet another major source of uncertainty is consumer demand for credit. Higher interest rates, for Treasury bills and other short-term securities, have begun to slow the inflow of funds into savings and

loan associations, the chief source of home-mortgage funds. Most analysts expect the reduced availability of mortgage funds, together with higher interest rates, to slow the demand for houses later this year.

The consumer, however, is hard to predict. The June Conference Board survey of consumer sentiment showed a rise in optimism — and a surge in buying plans for houses, cars and other goods.

Fed Said to Compromise With Credit Tightening

NEW YORK, July 25 (AP-DJ) — There is growing evidence that the Federal Reserve has chosen a compromise path in the credit-tightening move initiated last week by opting to maintain at 7 1/2 percent the rate on so-called federal funds, at least temporarily. That represents only a 1/4 percentage point increase from the 7 1/4 percent target previously. The Fed usually moves the target in quarter-point intervals.

The rate on federal funds — uncommitted reserves banks lend one another — provides an indication of the availability of reserves in the banking network and serves as a kind of base from which most other short-term rates are scaled upward.

"It very definitely represents a compromise," reasons David Jones, an economist for Aubrey G. Lantson & Co. He believes there was a "fairly strong division of opinion" on the future course of money policy at last week's meeting of the Open Market Committee, the Fed's policy-making arm.

The Fed has implicitly confirmed the 1/4-point increase in the funds target by draining reserves from the banking network when the funds rate dipped to 7 1/4 percent. On Friday, the Fed added reserves when funds traded at 8 percent. Many analysts, however, still believe the 7 1/2-percent rate may only be a stepping stone on the way to an 8-percent target, particularly if the money supply continues to grow too quickly.

Exxon Lifts Depth Target

HOUSTON, July 25 (NYT) — In a development seen in some quarters as a discouraging sign for oil prospects in the Atlantic, Exxon said yesterday that it was drilling beyond an original target depth of 14,000 feet at its first exploratory well off the New Jersey coast.

A spokesman said the decision to sink the well an additional 1,000 feet did not indicate whether oil or gas had been struck. However, experienced prospectors said that it probably meant that none had yet been found.

Two weeks ago, Shell Oil abandoned as a "dry hole" its first test well in the same general area after extending it 2,000 feet beyond an original target depth of 12,000 feet. And last month, Continental Oil said it had come up dry. Five other companies, including Exxon, are continuing to drill in the area, called the Baltimore Canyon Trough.

So far, the one encouraging sign in exploration of what energy experts hope will develop into a major source of oil or gas has come from Texas, which last week said that its well, not far from the Exxon rig, had found traces of hydrocarbons. However, it also cautioned that various tests, expected to take several weeks, would be needed before it could be determined whether oil or gas existed in commercially worthwhile quantities.

Exxon's drilling currently is below 14,000 feet and is fast approaching the 14,800-foot level of the nearby Texaco well. Its site is on the same geologic structure as that of Texaco, some 100 miles out to sea.

Dollar at New Low, 195.3, Against Yen

LONDON, July 25 (AP-DJ) — The dollar fell to a new low against the yen in tense foreign-exchange trading today notwithstanding evidence of heavy intervention by the Bank of Japan.

Conversely, the dollar recouped some ground lost against most other major currencies in a technical reaction to yesterday's sharp decline and on widespread profit-taking. European central banks, dealers noted, may have given the dollar tactical support, particularly in the morning, to spur its recovery.

Total intervention in the Tokyo market may have exceeded \$100 million, given heavy spot turnover of \$819 million, dealers estimated. But the amount was not enough to stem the tide and the dollar hit a postwar trading low of 195.30 yen, down 2.20 yen from the previous low set yesterday. The dollar staged a mild recovery against the yen in Europe until the last hour of trading when it once again came under heavy pressure — this time presumably from U.S. institutions and businesses eager to purchase yen.

After having been as high as 196.50 yen, the dollar finished here at 195.40 yen, for a loss of 2.50, or 1 1/4 percent from yesterday.

Trading in Europe quieted from yesterday's hectic pace, traders noted, ahead of the U.S. announcement of June trade data, due tomorrow. Most forecasts were in a range of \$2 billion to \$2.5 billion compared with May's adjusted deficit of \$2.24 billion. Some more optimistic predictions put the deficit at nearer \$1.8 billion to \$2.1 billion. A substantial improvement is not expected, however.

West Germany, meanwhile, is expected to announce its June trade figures this week and traders generally estimated it at 3 billion to 3.5 billion Deutsche marks, compared with May's surplus of 3.04 billion DM.

Against the Deutsche mark, the dollar slipped to an intraday low of 2.0385 in the first hour of trading but then moved up fairly steadily to finish at 2.0475 DM, a gain of 65 points from yesterday. The dollar also recouped to 1.7780 Swiss francs after ebbing at 1.7695 francs. It was up 60 points on the day.

The dollar firmed 65 points against the French franc at 4.4

francs. Against the guilder, it rose to 2.2190 from 2.2037 guilders. Holland raised its discount rate to 4.5 from 4 percent, but traders said the move was anticipated. Sterling lost 31 points at \$1.9259, after edging above the \$1.93-level in the morning. The Canadian dollar was steady at 89 U.S. cents versus 88.92 cents.

Prices Gain On Wall St.

NEW YORK, July 25 (Reuters) — Prices on the New York Stock Exchange were pushed broadly higher today in an afternoon rally fueled by higher profit reports from steel producers and airlines.

Shortly after the close, the Commerce Department announced that new orders received by durable goods manufacturers fell \$2.01 billion, or 2.9 percent, to a seasonally adjusted \$68.04 billion in June. The decline compared with an increase of \$1.2 million, or less than 0.1 percent, in May and was the steepest drop since the 4.3-percent decline in January.

White House press secretary Jody Powell also announced that the administration is calling for a \$5-billion cut in the fiscal 1979 budget.

The Dow Jones industrial average, which was sliding most of the session, rose 7.97 points to 839.57. Advances led declines 869 to 538, and volume rose to 25.4 million shares from yesterday's 23.3 million.

Airlines dominated the active list, with Eastern rising 1/4 to 14 1/2, American gained 1/2 to 14 1/2, Braniff 1/2 to 15 1/2, Pan American 1/4 to 7 1/2, and TWA 1 1/2 to 24 1/2. Tiger International picked up 1 1/2 to 29 1/2 and Allegheny added 1/2 to 12.

Steels also shared the limelight, with Armco moving up 1/4 to 30 1/2, U.S. Steel 1/4 to 28 1/2, Bethlehem 1 1/2 to 24 1/2, Republic 1/2 to 24 1/2, and Allegheny Ludlum 1/2 to 16 1/2.

Prices on the American Stock Exchange also rose, with the market-value index up 0.60 to 152.26.

In Chicago, wheat and soybeans were mixed, corn irregularly lower and oats lower at the close today on the Board of Trade.

U.S. Company Reports

Revenue, Profits in Millions of Dollars

Amerasia Hess	
2nd Quarter 1978	1977
Revenue	1,040 1,020
Profits	34.57 51.89
Per share	0.86 1.28
4 months	
Revenue	2,390 2,300
Profits	67.09 122.78
Per share	1.66 3.03

American Electric Power	
2nd Quarter 1978	1977
Revenue	583.00 462.80
Profits	52.40 47.10
Per share	0.51 0.50
4 months	
Revenue	2,200 1,900
Profits	252.40 233.90
Per share	2.45 2.51

Armco	
2nd Quarter 1978	1977
Revenue	1,110 917.70
Profits	51.31 29.97
Per share	1.66 0.94
4 months	
Revenue	2,060 1,710
Profits	81.55 36.10
Per share	2.62 1.09

Asarco	
2nd Quarter 1978	1977
Revenue	280.76 256.10
Profits	2.22 1.58
Per share	0.11 0.56
4 months	
Revenue	1,060 915.00
Profits	8.90 8.90
Per share	0.86 0.86

Borden	
2nd Quarter 1978	1977
Revenue	1,020 915.00
Profits	40.24 37.97
Per share	1.29 1.22
4 months	
Revenue	1,860 1,740
Profits	67.90 64.44
Per share	2.18 2.07

Chromalloy American	
2nd Quarter 1978	1977
Revenue	339.20 285.00
Profits	11.50 9.17
Per share	0.89 0.75
4 months	
Revenue	633.60 523.20
Profits	20.50 16.40
Per share	1.56 1.33

Consolidated Edison

2nd Quarter 1978	1977
Revenue	688.00 682.20
Profits	40.70 49.80
Per share	0.65 0.81
4 months	
Revenue	1,500 1,470
Profits	127.70 134.00
Per share	2.06 2.18
12 months	
Revenue	3,040 2,950
Profits	273.20 275.90
Per share	4.42 4.48

Detroit Edison

2nd Quarter 1978	1977
Revenue	410.50 352.60
Profits	43.44 20.13
Per share	0.73 0.37
4 months	
Revenue	798.50 732.30
Profits	47.57 52.97
Per share	0.80 0.98

Eastern Airlines

2nd Quarter 1978	1977
Revenue	599.90 498.80
Profits	24.20 1.63
Per share	1.15 0.08
4 months	
Revenue	1,180 1,020
Profits	43.70 18.50
Per share	2.06 0.93

Goodyear Tire & Rubber

2nd Quarter 1978	1977
Revenue	1,900 1,730
Profits	72.30 70.70
Per share	1.00 0.98
4 months	
Revenue	3,560 3,300
Profits	109.00 129.90
Per share	1.51 1.80

Other Company Reports

Revenue, Profits in Millions

Britain Nat'l Westminster Bank	
4 months 1978	1977
Revenue	50.00 49.30
Profits	0.227 0.2244
(Figures in Sterling)	

Canada Cominco

4 months 1978	1977
Revenue	463.20 411.20
Profits	26.10 37.80
Per share	1.37 2.11
(Figures in Canadian Dollars)	

Dominion Bridge

4 months 1978	1977
Revenue	416.00 253.00
Profits	14.90 13.60
Per share	1.40 1.27
(Figures in U.S. Dollars)	

Japan Fujitsu

Year March 31 1978	1977
Revenue	473,460
Profits	10,81
Per share	15.43
(Figures in Yen) (No comparisons as company reporting consolidated results for first time)	

Phillips Petroleum

2nd Quarter 1978	1977
Revenue	1,730 1,580
Profits	138.40 125.00
Per share	0.90 0.82
4 months	
Revenue	3,470 3,170
Profits	303.30 246.60
Per share	1.97 1.61

Heublein

2nd Quarter 1978	1977
Revenue	417.00 395.90
Profits	14.18 6.90
Per share	0.67 0.33
4 months	
Revenue	1,620 1,550
Profits	56.53 48.76
Per share	2.66 1.94

INA

2nd Quarter 1978	1977
Revenue	1,000 926.40
Profits	68.27 45.48
Per share	2.71 1.82
4 months	
Revenue	2,000 1,800
Profits	122.26 79.82
Per share	4.86 3.20

Johns Manville

2nd Quarter 1978	1977
Revenue	434.90 375.50
Profits	34.52 27.85
Per share	1.60 1.30
4 months	
Revenue	773.20 682.60
Profits	59.91 49.88
Per share	2.78 2.33

Lockheed

2nd Quarter 1978	1977
Revenue	896.00 838.00
Profits	19.90 13.40
Per share	1.31 0.91
4 months	
Revenue	1,600 1,670
Profits	23.10 25.50
Per share	1.47 1.72

Martin Marietta

2nd Quarter 1978	1977
Revenue	446.10 370.70
Profits	36.79 31.11
Per share	1.54 1.31
4 months	
Revenue	794.40 680.10
Profits	54.65 53.26
Per share	2.29 2.24

Philadelphia Electric

2nd Quarter 1978	1977
Revenue	326.10 318.80
Profits	29.50 39.70
Per share	0.25 0.42
4 months	
Revenue	728.10 684.60
Profits	85.10 89.20
Per share	0.86 0.99
12 months	
Revenue	1,430 1,300
Profits	169.30 178.20

12 Month Stock					12 Month Stock					12 Month Stock				
High	Low	Div. in 5 Yrd.	P/E	100s.	High	Low	Div. in 5 Yrd.	P/E	100s.	High	Low	Div. in 5 Yrd.	P/E	100s.
12.00	11.50	0.50	15.00	100.00	12.00	11.50	0.50	15.00	100.00	12.00	11.50	0.50	15.00	100.00

[illegible]

Herald Tribune

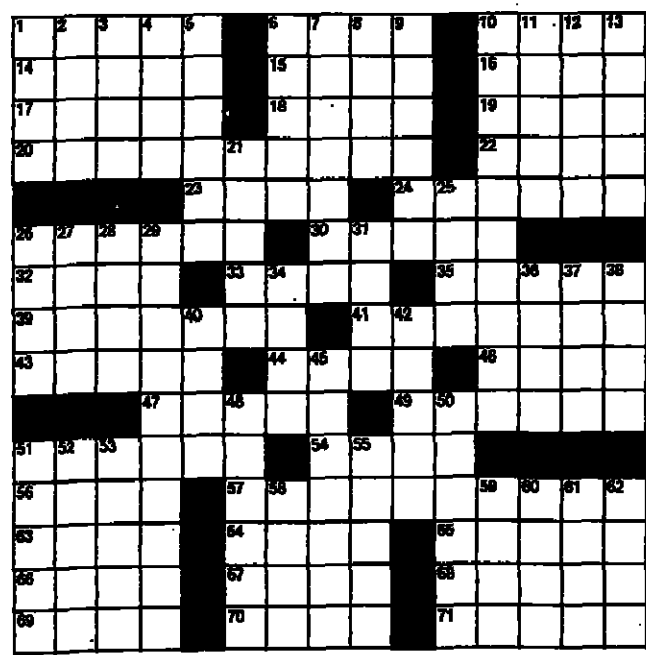
The international essential

U.S. Commodity Prices		Mar	67.55	67.87	67.25	67.60	- 2
		Mar	47.85	47.80	47.90	47.75	- 1

[illegible]

Total open interest Mon. 6,747, up 52 from Fri.

[illegible]



- ACROSS**
- City SW of Portland
 - Tapered seam
 - "When you took an elly": Heywood
 - Dorian of fiction
 - Hershey's cartoon hero
 - Dubbed
 - Wash
 - mecum (handbook)
 - Oscar-winning film: 1931-32
 - Bit of news
 - Church season
 - Susanna's group of snoots
 - Marceau
 - Tiberius's tongue
 - Charles Lamb
 - At an end
 - Free from
 - Perceived by feeling
 - Printing process
 - "Love Story" author
 - Wild plum
 - Fish dish
 - Nightclub
 - Peephole
 - Symbol of justice
- DOWN**
- Vocalize
 - Seaweed substance
 - Religious figure
 - Nicely balanced
 - Interfere
 - A king of Moab
 - Idle chatter
 - Roof edge
 - Peephole
 - Oscar winner: 1958
 - Christmas song
 - Classical ballet finale
 - Oscar winner: 1967
 - Favorite son in "East of Eden"
 - Completed a sky dive
 - of India, empire builder
 - German article
 - Covered with fired clay
 - Something to "cop"
 - Trademark, for short
 - Tower, Chi. (world's tallest building)
 - Simmer down
 - "Purple Sage" man
 - Swarms
 - Spartan sert
 - Fountain of Trevi coin
 - Army chow
 - Helm position
 - Annulus
 - Oscar-winning film: 1943
 - Jason's ship
 - Londoner's waistcoat
 - Union payment
 - Wreath on a knight's helmet
 - Actor Parker
 - Plant yielding plant
 - Find a new tenant
 - library
 - Begin's homeland
 - Puts in office
 - Rogue
 - Shade of red
 - Worship
 - Bone: Comb. form
 - Melange
 - Court star
 - Nastase
 - Monster
 - Perpetually
 - Cincinnati nine

WEATHER

ALGARVE	C F	Clear	MADRID	C F	Clear
AMSTERDAM	20 48	Clear	MIAMI	29 85	Cloudy
ANKARA	20 68	Cloudy	MILAN	27 81	Cloudy
ATHENS	20 68	Cloudy	MONTREAL	23 73	Cloudy
BEIRUT	29 84	Clear	MOSCOW	14 57	Showers
BERLIN	23 72	Cloudy	MUNICH	24 75	Clear
BRUSSELS	20 68	Clear	NEW YORK	24 75	Clear
BUCHARST	26 79	Cloudy	NICE	19 66	Cloudy
BUDAPEST	24 75	Clear	PARIS	23 73	Clear
CASABLANCA	26 79	Clear	PRAGUE	22 72	Clear
COPENHAGEN	18 64	Cloudy	ROME	28 82	Clear
COSTA DEL SOL	27 81	Clear	SOFIA	21 70	Clear
DUBLIN	14 57	Cloudy	STOCKHOLM	21 70	Clear
EDINBURGH	12 54	Rain	TEHRAN	—	N.A.
FLORENCE	30 86	Clear	TEL AVIV	30 86	Clear
FRANKFURT	25 77	Clear	TOKYO	28 82	Clear
GENEVA	25 77	Clear	TUNIS	27 81	Clear
HELSINKI	21 70	Clear	VIENNA	26 79	Clear
ISTANBUL	24 75	Clear	WARSAW	22 72	Cloudy
LAS PALMAS	28 82	Clear	WASHINGTON	27 81	Cloudy
LONDON	21 70	Cloudy	ZURICH	24 75	Cloudy
LOS ANGELES	18 64	Cloudy			

(Yesterday's readings U.S. and Canada of 1968 GMT; all others of 1200 GMT.)

INTERNATIONAL FUNDS

ADVERTISEMENT

July 25, 1978

The net asset value quotations shown below are supplied by the Funds listed with the permission of some Swiss banks whose quotes are based on the prices. The following symbols indicate frequency of quotations supplied for the BIL: (d)—daily; (w)—weekly; (m)—monthly; (q)—quarterly; (y)—yearly.

BANK JULIUS BAER & Co. Ltd.		Other Funds	
(d) Board Fund	SP 72.75	(w) Alexander Fund	\$6.86
(d) Bond Fund	SP 72.75	(w) Trustor Int. Fd (AET)	\$7.36
(d) Growth Fund	SP 72.75	(w) Trustor Int. Fd (BET)	\$7.36
(d) Income Fund	SP 72.75	(w) Trustor Int. Fd (CET)	\$7.36
(d) Money Fund	SP 72.75	(w) Trustor Int. Fd (DET)	\$7.36
(d) Real Estate Fund	SP 72.75	(w) Trustor Int. Fd (EET)	\$7.36
(d) Venture Fund	SP 72.75	(w) Trustor Int. Fd (FET)	\$7.36
(d) World Fund	SP 72.75	(w) Trustor Int. Fd (GET)	\$7.36
BANQUE VON ERNST & CIE:			
(d) CHF Fund	SP 16.67	(d) Capital Rentinvest	LF 138.00
(d) CHF Fund	SP 16.67	(d) Capital Rentinvest	LF 138.00
(d) ITF Fund N.V.	\$5.37	(d) Capital Rentinvest	LF 138.00
BRIANTANNA TRUST MGMT.(C) Ltd.			
(w) British Dollar Trust	\$6.86	(w) Convert. Fd Int. A Certs	\$7.36
(w) Int'l High Interest Fund	\$1.30	(w) Convert Fd Int. B Certs	\$7.36
(w) Int'l High Interest Fund	\$1.30	(w) Convert Fd Int. C Certs	\$7.36
(w) Int'l High Interest Fund	\$1.30	(w) Convert Fd Int. D Certs	\$7.36
CAPITAL INTERNATIONAL S.A.:			
(w) Control Int'l	137.31	(w) Drexius Int. Int'l	\$1.30
(w) Control Int'l	\$9.42	(w) Drexius Int. Int'l	\$1.30
(w) Control Int'l	\$9.42	(w) Drexius Int. Int'l	\$1.30
(w) Control Int'l	\$9.42	(w) Drexius Int. Int'l	\$1.30
CREDIT SUISSE:			
(d) Actions Suisse	\$92.20	(d) Drexius Int. Int'l	\$1.30
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Rose Hits in 37th Game to Tie NL Record

By Joseph Durso

NEW YORK, July 25 (NYT) — In a field where he once was used as a bully, Pete Rose craved a three-minute standing ovation at Shea Stadium last night when he tied the National League record by hitting in his 37th straight game.

It was almost five years after parading the New York Mets had won the pennant, but this time, he was surrounded by cheering crowds, celebrities, microphones and special "Pete Rose fact sheets," and he

said with appreciation, "Just like Forego."

Rose was 0 for 3 when he went to bat in the seventh inning with the score tied at 2-2 and lined the 1-ball-1-strike pitch into left field for a single and a share in the record. Cincinnati went on to win, 5-4.

The game was stopped while the Yankees continued, and Rose lifted a red batting helmet from his head to acknowledge the uproar.

The 37-year-old third baseman for the Cincinnati Reds made his second tumultuous appearance of the baseball season in Shea as he pursued the record. In his first, late

in April, he was closing in on the 3,000th hit of his 16-year career. Though he did not get it here, he rattled the rafters by hitting three home runs and two singles in one game.

So he already ranked as an attraction when he faced Pat Zachry of the Mets, who was Rose's teammate until the Reds traded the right-hander to New York 13 months ago. They both knew the arithmetic of the streak, too: Rose started hitting on June 14, he kept hitting for 36 straight games before arriving in town, he made 56 hits and batted .372 as a streaker, and

now he stood one hit away from tying the league record, set in 1945 by Tommy Holmes of the Boston Braves.

Holmes on Hand

Holmes, 61, was on hand last night, as director of community relations for the Mets, and he found that Rose was making him a celebrity 33 years after the fact. Bowie Kuhn, the commissioner of baseball, was there, too. And when Rose stepped to the plate, as the leadoff batter in the game, the crowd gave him a standing ovation.

He responded by hitting a solid

high fly to center field, and was 0 for 1. Two innings later, with Paul Moskauer on first base and nobody out, he bounced to deep shortstop and into a force play at second base, and was 0 for 2. Two innings later, with two Reds on base and one out, he faked a bunt, then lifted another high fly to Lee Mazzilli in center, and was 0 for 3.

"I hit down on the ball," Rose explained, analyzing the style that has produced 3,090 hits, all for the Cincinnati Reds. "But in Shea last April, I got three up and they went all the way. Still, I'm no singles hitter. I've got over 550 doubles, and led the league in doubles three years."

Same Pitching

"Are they pitching me the same as before the streak? They've got to, if they want to win the game. Behind me, they've got to face guys like Ken Griffey and Joe Morgan. So they've got to try to win the game, not just stop the streak."

To the rest of the Reds, all the attention lavished on Rose's streak did not produce any great distractions or resentment — not for a team that had won four pennants in seven years and always attracted attention.

"It's great for the Reds," said Johnny Bench, the catcher. "He wants to get 200 hits in a season for the 10th time, other guys want to bat in runs, and the ambitious, dovetail. Besides, Pete was born to hit, that's his life. He doesn't show much tension, but he moves around more quickly in the field now. He's thinking of one thing: hitting."

No Grumbling

"We're all used to his hitting," said Fred Norman, the No. 1 left-handed pitcher for the Reds. "But this is getting like a World Series now. For any man to hit in 36 games in a row is unbelievable. As a feat, it outranks pitching a no-hitter. It takes great strength every day."

"To us guys on the team," said Dave Concepcion, the shortstop, "it seems that Pete's getting hits every day, anyway. He's always setting records or getting into streaks. We don't notice much change until people say he's nearing a record. That's what Pete Rose does: he hits."



Pete Rose accepts ovation at first base after hitting safely in 37th consecutive game.

Martin Leaves Yankees After Final Scrape

By Murray Chass

KANSAS CITY, July 25 (NYT) — Billy Martin, a tempestuous great fighter who had been dismissed from three previous major league managerial jobs, tearfully resigned last night from the one managerial job that he always yearned for — the one with the Yankees.

Bob Lemon, who served as Yankees pitching coach in 1976, was named to replace Martin. Lemon, a fall of Fame pitcher, was dismissed only 24 days ago by the Chicago White Sox. The 57-year-old Lemon, an easy-going man whose personality is the opposite of Martin's, played with Al Rosen, the Yankees president, in Cleveland.

Rosen said that no terms had been determined but that Lemon would manage for "the balance of the season and, I hope, plus." Lemon is to join the team today.

Major League Standings

AMERICAN LEAGUE

by United Press International

Team	W	L	Pct.	GB
Boston	63	33	.656	—
Minnesota	57	38	.598	5 1/2
Baltimore	54	43	.557	9 1/2
New York	52	43	.547	10 1/2
Seattle	50	47	.510	13 1/2
Cleveland	45	50	.471	17 1/2
Toronto	35	63	.353	27 1/2
West				
California	54	41	.568	—
Oakland	53	46	.535	3
Los Angeles	48	49	.490	8
San Francisco	46	50	.479	9 1/2
Chicago	41	55	.426	17 1/2
Seattle	35	63	.353	27 1/2

NATIONAL LEAGUE

by United Press International

Team	W	L	Pct.	GB
Atlanta	63	33	.656	—
Philadelphia	57	38	.598	5 1/2
San Diego	54	43	.557	9 1/2
Los Angeles	52	43	.547	10 1/2
St. Louis	50	47	.510	13 1/2
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NATIONAL LEAGUE

by United Press International

By Joseph Durso

NEW YORK, July 25 (NYT) —

n a field where he once was

used as a bully, Pete Rose

craved a three-minute standing

ovation at Shea Stadium last night

when he tied the National League

record by hitting in his 37th

straight game.

It was almost five years after

parading the New York Mets had

won the pennant, but this time,

he was surrounded by cheering

crowds, celebrities, microphones

and special "Pete Rose fact

sheets," and he

said with appreciation, "Just like

Forego."

Rose was 0 for 3 when he went

to bat in the seventh inning with

the score tied at 2-2 and lined the

1-ball-1-strike pitch into left field

for a single and a share in the

record. Cincinnati went on to

win, 5-4.

The game was stopped while the

Yankees continued, and Rose

lifted a red batting helmet from

his head to acknowledge the

uproar.

The 37-year-old third baseman

for the Cincinnati Reds made his

second tumultuous appearance of

the baseball season in Shea as he

pursued the record. In his first, late

in April, he was closing in on the

3,000th hit of his 16-year career.

Though he did not get it here,

he rattled the rafters by hitting

three home runs and two singles

in one game.

So he already ranked as an

attraction when he faced Pat

Zachry of the Mets, who was

Rose's teammate until the Reds

traded the right-hander to New

York 13 months ago. They both

knew the arithmetic of the

streak, too: Rose started hitting

on June 14, he kept hitting for

36 straight games before arriving

in town, he made 56 hits and

batted .372 as a streaker, and

now he stood one hit away from

tying the league record, set in

1945 by Tommy Holmes of the

Boston Braves.

Holmes, 61, was on hand last

night, as director of community

relations for the Mets, and he

found that Rose was making him

a celebrity 33 years after the

fact. Bowie Kuhn, the

commissioner of baseball,

was there, too. And when

Rose stepped to the plate, as

the leadoff batter in the game,

the crowd gave him a standing

ovation.

He responded by hitting a solid

high fly to center field, and was

0 for 1. Two innings later, with

Scrappy Maestro

By Russell Baker

NEW YORK — As usual, fiery temperaments were flaring among members of the New York Yankees Opera Company. The decision of the scrappy little maestro, Billy Martin, to present "La Traviata" that night had irritated many of the company's stars, most of whom preferred to do Wagnerian operas because it kept them on stage longer than the Italian works.



Baker

Craig Nettles was particularly annoyed because he had been scheduled to play the role of Alfredo. "I don't want to play Alfredo," he told the opera writers. "I want to play third base." This uncooperative attitude was characteristic of Nettles. In the old days at the Yankee Stadium he had always insisted on playing baseball instead of the opera-buffet that was then the Yankees' claim to fame. His insistence on playing baseball at every possible opportunity had kept his salary down at the time when more flexible performers were being paid fortunes for their tritons.

The scrappy little maestro's biggest problem, however, centered upon Reggie Jackson, whose feelings had been hurt because he was not scheduled to play "La Traviata's" starring role — Violetta. "Reggie," as the opera writers had written 5,000 times was "a proud man."

The inference that the scrappy little maestro thought Jackson's soprano incompetent to meet the demands of Violetta's "Semplice libretto" had stung his fiery pride. What was worse, the role had been assigned to Thurman Munson, who had offended the proud Jackson years before by accusing him of loafing through the third act of "Boris Godunov."

The question that preoccupied the opera pages of the New York press was whether Munson would shave his mustache before going on as Violetta.

Opera owner George Steinbrenner had asked Maestro Martin to crack down on superstars who wore beards and mustaches while playing soprano leads. In fact, there had recently been a typical crisis

when Sparky Lyle, brought in to relieve Lou Piniella as Brunhilde, walked on stage in his handlebar mustache.

Lyle was called before Opera owner Steinbrenner to explain whether this was an act of deliberate defiance or a mere oversight. Afterwards, Sparky demanded to be traded to La Scala of Milan, which produced a spate of rumors that Steinbrenner was about to fire the scrappy little maestro again.

This was settled one night during a performance of "Don Giovanni" when the scrappy little maestro, incensed by Jackson's refusal to take a signal for a high C from the conductor's box, charged on the stage and threatened to strike Jackson with a baton. His appearance evoked a standing ovation from the audience. This in turn persuaded Steinbrenner that the maestro was so popular it would be a mistake to fire him, especially since the rest of the company was already 16½ operas behind the Metropolitan Opera Company in the lost column.

And now as curtain time for "La Traviata" approached, opera writers thronged the dressing rooms, striving for the news that would keep a breathless humanity abreast of the latest developments in the company. As usual, few members of the company were talking.

Would Munson shave his mustache? Munson had no comment for years. Munson was a proud man.

Would Jackson leave the company without permission and fly to Chicago to do "Peter and the Wolf" with the Chicago Symphony? And if so, what would Steinbrenner do? Would he once again plan to fire Maestro Martin, thereby providing another week of speculation in the opera pages?

The scrappy little maestro looked drawn and tired. There had been press reports that he had liver spots on his conducting hand. Was there any truth in these reports? The maestro refused to talk about his conducting hand. He was a proud man. Proud of having survived years of leading the most temperamental group of prima donnas to put its way to notoriety and fortune in two generations.

"Why," he demanded, "don't the papers ever send over any baseball writers any more?" He was proud, all right, but he didn't know what the name of the game was anymore.

The Mails Go Through in Switzerland

By Calla Comer

BERN (HT) — On Nov. 3, 1950, an Air India jet en route from Calcutta to Geneva hit Mont Blanc and exploded, scattering its contents over Europe's highest mountain. This past June, a group of French climbers found a mail sack from the plane containing 60 perfectly preserved letters.

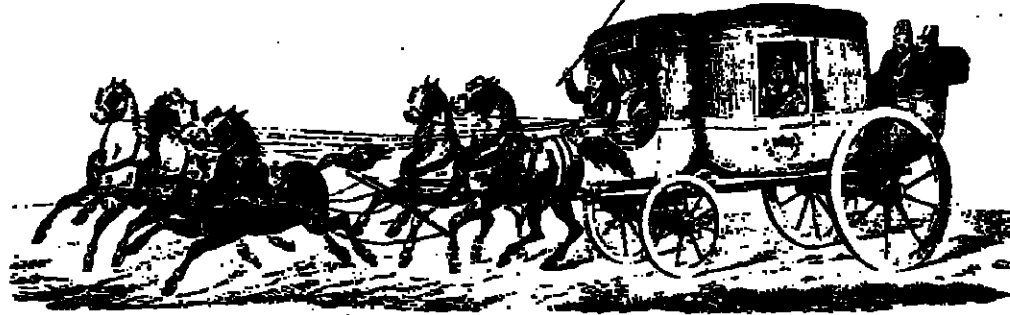
The sack was delivered to the French postal authorities in Paris where the Swiss PTT (Post, Telephone & Telegraph) was notified. PTT officials were on the next plane to Paris to recover the 23 letters destined for Switzerland. Several of the letters were delivered to commercial enterprises but only one of the private addresses was still alive after nearly three decades, 86-year-old Dr. Martha Vogeli of Thun.

The postman arrived at her chalet, as he does every day, with the letter that had been written by one of her former colleagues in a hospital that she had founded in Calcutta in 1934.

Although this "better late than never" delivery was reported in the Swiss papers with much fanfare, it was not a publicity gimmick of the PTT, said PTT public relations man Daniel Cuche. "Our postal service assures its users that the contents of letters will remain secret until delivered and the fact that 28 years had lapsed and that the letters have an important philatelic value does not alter our code."

The efficiency of the Swiss postal system is almost as much a part of Swiss folklore as the Matterhorn, and the yellow and black postal buses and VW Beetles have become Swiss symbols as much as the alpine. It is a little-known fact that every child in Switzerland who writes to Santa Claus will receive an answer to his letter and a small gift of stamps from the PTT. But anyone who regularly uses the Swiss postal system knows that a letter mailed anywhere in Switzerland one day will reach its destination, if not the same day, no later than the following morning.

Mr. Cuche says that Switzerland plays the major role in the PTT's efficiency but adds that there are more postal employees for the country's population (1.641 inhabitants per post-



The frontpiece of a diligence schedule from Fribourg.

al employee compared to 5,423 inhabitants per Dutch postal employee) than anywhere else in the world. This goes for post offices too, with Switzerland having 3,903 for a population of 6.5 million while Italy, whose postal system is notoriously bad, has only 13,744 for a population of close to 56 million. Added to these figures is the important fact that the Swiss are by nature efficient.

The first European postal system was under the reign of the Roman Emperor Augustus, who instituted the *cursus publicus*, a relay of posts at intervals of 2 to 4 miles, joined by mounted runners. As parts of Switzerland were under Roman occupation, the Roman system was responsible for main delivery routes between major Roman cities, such as Geneva and Avenches and over into Italy, through the Grand St. Bernard. The fall of the Roman Empire resulted in Switzerland having to wait 1,000 years for mail delivery to attain the efficient level it had under the Romans.

During the Middle Ages, Switzerland's method for delivering mail was similar to the rest of Europe's. Letters and packages were delivered only if someone was going in the right direction, usually a court messenger or someone from the church, and then the rest was up to fate.

As commerce grew in Switzerland during the 16th century, a more stable method of postal delivery was needed and a weekly route of foot messengers was opened between industrially active cities like Zurich and Bern. When businessmen began to compete with the St. Gallis for the sale

of their textiles to Germany, the latter opened up a route to Lyons for business prospect in France.

In the 17th century, foot messengers were replaced by mounted ones and horse relays were established once again.

Then, in 1675, a Bernois by the name of Beat von Fischer, with encouragement from the city of Bern, which was becoming an important industrial center as well as a political stronghold of the country, started a private postal service linking the Jura plain with Italy via the Grand St. Bernard, the Simplon and the Gotthard passes.

Fischer's descendants were the first to start a service of diligences in 1735 between Zurich and Bern. These diligences, carrying up to 24 passengers in addition to the mail, were painted yellow and black. The transport of passengers gave the Fischer postal service an added revenue, and the postal bus of today, tooting their melodious horns on Alpine bends, are the direct descendants of these early, brightly colored diligences. The postal bus still remains a profitable adjunct to the PTT.

The institution of postal diligences called for improving road conditions and during the 19th century the mountain roads were carved. There were soon very few places in one of nature's more inaccessible wonderlands that couldn't be reached by a Swiss mailman.

enable the Swiss in Geneva to contact those in Zurich by means of a stamp. Up until the 19th century, each canton had its own system of taxes, money, weights and measures and custom duties, not to mention their own methods of postal delivery.

In 1798, officials of the politically unstable confederation attempted to organize a federal system for the post. Taxes were made uniform but all other projects came to no avail. Each canton still wanted to be responsible for itself and for the majority of the 19 cantons the postal systems were thought of as methods of revenue rather than as public services. Mail could be delivered great distances without much ado, as this is where the profits lay, but local deliveries were few and far between.

The situation changed for the better in 1848 with the founding of the Confederation, when the federal government took over, forcing the cantons to collaborate and enabling the establishment of new and more efficient services. Stamps were introduced in 1850, followed by money orders in 1861, and express service in 1868 and postal checks in 1906. Switzerland started using a postal code in 1964.

The introduction of trains and lake steamers in the mid-19th century, followed by a regular air mail service between Geneva and Zurich in 1919, when added to the new services, gave Switzerland the efficient base upon which it operates today.

The Swiss PTT in the 19th century. Bern PTT Museum, through August; the Transport Museum, Lucerne, Sept. 27-Nov. 26.

PEOPLE: South African Model Is Miss Universe

Margaret Gardiner, an 18-year-old brunet from Cape Town, has been voted Miss Universe for 1978 in a pageant in Auckland, N.Z. Miss Gardiner, a 5-foot-10, 135-pound model, is the first winner from South Africa. Miss U.S.A., Judi Anderson, 20, of Honolulu, came in second. The other three finalists were Guillermina Cruz Domenech, Miss Spain; Cecilia Rodhe, Miss Sweden; and Sygey Saez, Miss Colombia. Miss Spain was second runner-up. The show was televised and was beamed to almost 50 other countries via satellite. Harold Glasser, president of Miss Universe, Inc., said earlier that the show would even be shown in Saudi Arabia, where "it is illegal for a woman to appear in public in a bathing suit." The 1977 winner, Jewelle Carruthers of Trinidad-Tobago, the first black to win the title, crowned the new Miss Universe before a television audience estimated at 600 million. Previous winners came from a wide range of countries during the 27-year history of the pageant. There were winners from Israel and Lebanon, but most came from Europe and Latin America. Four Miss Universe winners came from the United States, the most from any country. There had been seven winners from Europe, most from the Nordic countries, and six from Latin America. Oriental beauties won four times. The new Miss Universe receives about \$50,000 in prizes and is committed to a yearlong series of personal appearances throughout the world. The contestants have been in Mexico for almost a month, longer than for any previous pageant. The buildup for the event was marked by hickering among organizers and claims by several contestants that they were badly treated by the Mexican press. Miss Peru was accused of having been married and given birth — which she and pageant officials denied. Miss Argentina was quoted as saying she would seek political asylum in Mexico. She denied saying "I am not satisfied that anything is being done," he said, adding he was particularly interested in taking some of the form-filling den of industry and small businesses. To put teeth in his campaign, he appointed a wife team in the Department of Health to check on the output of plastic forms. Now, the question is: Will the watchdogs deviate from report on form-filling?



Margaret Gardiner

President Carter tried, when took office, to get back on some of the bureaucratic form-filling characteristics government with dramatically discernible results. Now Prime Minister Sir Callaghan of Britain has among his own war on official forms, which, he decreed, must be reduced. He issued an unusual order to government ministries to get rid of unnecessary forms to simplify those that must remain. "I am not satisfied that anything is being done," he said, adding he was particularly interested in taking some of the form-filling den of industry and small businesses. To put teeth in his campaign, he appointed a wife team in the Department of Health to check on the output of plastic forms. Now, the question is: Will the watchdogs deviate from report on form-filling?

Recuperating in Bethesda, Md., Naval Hospital after being mugged, the U.S. House minority whip, Rep. Robert H. Michel of Illinois, said Monday, "I really am fortunate I have no teeth broken bones." However, Mr. Michel was beaten about the eyes by more men who jumped into his home, and doctors are now knowing his eyes were recently damaged. The representative, who got a "get-well" telephone call from Pres. Carter, lost his billfold, wallet and \$100 in cash to the robbers.

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